

Conference of the
International Labour Organisation
New York, October 1941

Wartime Developments in Government - Employer - Worker Collaboration

Supplement to
Methods of Collaboration between the
Public Authorities, Workers' Organisations
and Employers' Organisations



MONTREAL, 1941

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INTRODUCTION

The term "collaboration", as used in this report, means free, confident, and organised co-operation of employers and workers with each other and with the public authorities for the determination of conditions of employment, the framing and application of industrial and social legislation, the prevention and settlement of industrial disputes, and the formulation and application of social and economic measures in relation to particular industries and

WARTIME DEVELOPMENTS IN GOVERNMENT-EMPLOYER-WORKER COLLABORATION

ERRATA

Page 3, footnote 1 for "K B F" read "K B E"

Page 49, second paragraph for the sentence beginning "The centralisation in a single ministry" read "The centralisation in a single ministry of responsibility for the labour aspects of war production has not as yet been attempted in Canada, either by the Dominion or by any of the Provincial Governments, and workers' representatives have been called into consultation chiefly by the Department of Labour, and not to any great extent by the other departments dealing with war problems with the exception of the Department of Munitions and Supply, the functions of which directly affect many labour and social questions"

Page 113, second paragraph for the sentence beginning "Outstanding examples" read "Outstanding examples of these issues are the closely-related questions of defence housing, recreation, and nutrition"

social and economic life and have -
so-called totalitarian systems On the other hand, the recent history of the older and more stable democracies is that of steady and more wide-reaching extension of the application of the principle of collaboration Nevertheless, no democratic State, however firmly rooted its democratic institutions, is exempt from the dangers of social and

INTRODUCTION

The term "collaboration", as used in this report, means free, confident, and organised co-operation of employers and workers with each other and with the public authorities for the determination of conditions of employment, the framing and application of industrial and social legislation, the prevention and settlement of industrial disputes, and the formulation and application of social and economic policies, both generally and in relation to particular industries and particular problems. Collaboration implies the existence of voluntary and representative organisations of employers and workers, recognising each other and recognised by the public authorities, and the will of all parties to settle their problems by negotiation, to consult together on all matters of common interest, and to make the best possible use of their combined capacities and experience at all stages of the economic and social structure.

"Wartime collaboration" means the particular application of the principle of collaboration in the circumstances of the war, and includes those institutions and procedures of co-operation which have been set up or have developed during the war for the furtherance of the war effort and national defence.

On the successful development of collaboration between the organised representatives of the employers and workers among themselves and with the institutions of the modern State depends in very large measure the future of democracy. It is, indeed, an extension of the application of democratic principles and methods from the political into the social and economic life of nations which is a vital condition of the continued existence of political democracy. The history of the last two decades furnishes an increasing number of examples of countries with unstable democratic systems which have been unable to adapt their institutions to the needs of modern social and economic life and have been swept away and replaced by so-called totalitarian systems. On the other hand, the recent history of the older and more stable democracies is that of steady and more wide-reaching extension of the application of the principle of collaboration. Nevertheless, no democratic State, however firmly rooted its democratic institutions, is exempt from the dangers of social and

economic strife, particularly in the present emergency, which subjects the whole national structure to such immense strains. The development of collaboration is therefore an indispensable condition of the continued existence of the democratic way of life.

These considerations were obviously in the minds of the members of the Governing Body of the International Labour Office when they decided in February 1940 to put the question of "Methods of collaboration between the public authorities, workers' organisations, and employers' organisations" on the agenda of the International Labour Conference which was to meet in Geneva, Switzerland, in June 1940. The Vice-Chairman of the Governing Body representing the employers, in supporting the discussion of the question, said that "the discussion must be a really thorough one, and should lead to practical results" for it was essential to convince the States Members of the Organisation of the necessity and importance of the tripartite co-operation on which the International Labour Organisation was based. The representatives of the workers were equally unanimous in supporting the discussion of the question of methods of collaboration, the French workers' member insisting that collaboration must be established on the basis of respect for individual liberty and the independence of employers' and workers' organisations, while the British workers' member expressed the opinion that the most interesting aspects of the problem were "the activities of economic councils and other advisory economic bodies and the various forms in which trade associations participated in the organisation of national economic life. This last form of co-operation was assuming particular importance in those countries which had had to organise their economy on a war basis, and where the State, which had undertaken increased responsibilities, wished the employers' and workers' organisations to play their part." The placing of the question of methods of collaboration on the agenda of the Conference was also supported by various Government members, the representative of the United States Government, in particular, declaring the interest of his Government in these methods "which were an expression of what the International Labour Organisation so uniquely represented, namely the ideal of a tripartite solution of industrial and social problems."

As is well known, the Conference convened for June 1940 could not meet, and the planned discussion of methods of collaboration did not take place. In the meanwhile, however, the question has become increasingly important, many new developments have taken place, and much new experience has been acquired. When, therefore, it was decided to convene a Conference of the International

Labour Organisation in New York City on 27 October 1941, it was decided that the question of methods of collaboration should figure on its agenda

As a basis of discussion for the proposed Conference in 1940, the International Labour Office had prepared a report¹, which will also be available to delegates at the New York Conference. This report did not attempt to provide an exhaustive documentary account of the situation as regards collaboration in the various countries, but it discussed in considerable detail, and with extensive references to examples, the underlying principles of collaboration; the several parts of the report dealt respectively with the position of industrial organisations within the State, collaboration between the authorities and the employers' and workers' organisations in determining conditions of employment, collaboration in regard to industrial and social legislation, and collaboration in the economic field, while a final part contained suggestions for discussion by the Conference.

It has been thought necessary to supplement the 1940 report in two respects: by revising in the light of subsequent developments the suggestions for discussion by the Conference, and by preparing a study of the wartime developments in collaboration. The revised text of the suggestions for discussion will be issued as a separate report. The study of wartime collaboration is contained in the present report.

The main purpose of the present report is, therefore, to describe the institutions and procedures which have been set up or have developed during the war, for the furtherance of the war effort and national defence, in the field of collaboration between public authorities and employers' and workers' organisations. The report aims primarily at a presentation, as summary as is compatible with an adequate statement of the available information, of the facts of the situation in those democratic countries which have found it necessary increasingly to direct their national energies towards war production.

The core of this report is a series of monographs on some of the democratic countries which are bearing the brunt of the war effort in varying degree—the countries of the British Commonwealth of Nations and the “arsenal of democracy”, the United States of America. A section on the position in Continental Europe has been added to show the developments in countries which have preserved their free institutions, occupied countries which have maintained something of the methods of free co-operation that existed before

¹ INTERNATIONAL LABOUR CONFERENCE. Twenty-Sixth Session, Geneva, 1940. *Methods of Collaboration between the Public Authorities, Workers' Organisations and Employers' Organisations*. International Labour Office, Geneva, 1940. 346 pp.

the war, and countries in which the institutions of free collaboration have been destroyed or reduced to impotence. Finally, an attempt has been made in a concluding section to review the fields in which war-time collaboration has developed and some of the outstanding features of this collaboration.

The limitation of this report to wartime developments in collaboration in some of the countries most directly affected by the war and by the need increasingly to concentrate their man-power and material resources on production for national defence does not, of course, in any way imply that there have been no developments in other countries. These developments, however, either have been phases of normal peace-time development towards increased collaboration or have a different pattern from that described in the monographs. To describe these changes would therefore be out of place in this report, but a few paragraphs may be added by way of indication of the kind of changes that are taking place.

In China, the most characteristic wartime development that can be described as a form of collaboration is the rise of industrial co-operative societies. By means of these societies the industries of Free China are being re-established in the interior, where they provide work for refugees and other unemployed and produce both for the civilian population and for the armed forces. The industrial co-operative movement is a spontaneous one, but it is encouraged and aided by the Government. In July 1938 the Government appointed a Commission for the Establishment of Industrial Co-operative Societies and an expert staff was sent to different parts of the country to organise small industries which could be moved from place to place in accordance with the exigencies of the war. The Industrial Co-operative Association, which is at present responsible for the organisation of these societies, is an official body placed directly under the Executive Yuan.

In some of the American countries the utilisation of methods of collaboration has been considerably extended, particularly by provisions in new social insurance legislation for the administration of insurance funds by joint bodies on which workers and employers are represented, and the establishment of joint minimum-wage-fixing bodies. Moreover, in Brazil new legislation governing the formation and working of occupational associations has come into force, in Cuba the application of new constitutional provisions has led to a large increase in the number of employers' and workers' organisations and of collective agreements, in Chile, as a war mea-

sure, strikes and lock-outs have been restricted and compulsory arbitration introduced, in Mexico the conditions under which strikes may be declared have been more strictly defined

In many colonial areas in Asia and Africa important steps have been taken to prepare the bases of future collaboration by the enactment of trade union and industrial disputes legislation. There have also been some significant increases in the number and importance of trade unions.

While there is much of interest in these developments, it is impossible to pursue their description in the present report, and for further information on individual countries reference should be made to the "Industrial and Labour Information" section of the *International Labour Review*. More detailed information on some points will also be found in *Labour Supply and National Defence*, published by the International Labour Office in 1941.

An examination of wartime developments in the field of collaboration is of special interest at the present moment, whether in countries far distant from or actually involved in hostilities. Comparisons of national practices and procedures, supplemented by tripartite international discussion, may help to clarify the purposes and indicate the use that may be made of employer and worker collaboration with Governments. For this reason it is particularly appropriate as the subject for discussion at the first general international meeting held since the outbreak of war.

The structure of the national monographs is not identical in all cases, but depends on the facts of the situation in each country. Nevertheless, the aim has been to describe, and in this order, the methods of collaboration in the central administrative machinery of government and governmental agencies, in determining conditions of employment, in solving the problems of particular industries, in the social and economic field generally, and, as considerable attention is being given to planning for post-war reconstruction, in reconstruction planning agencies. In some instances, where the needs of the war or national defence have led to considerable innovations in the ordinary machinery of government, it has been thought necessary to describe these changes in order to give a clearer picture of the part which is being played by bipartite or tripartite collaboration. With the materials available it has not been possible to give a complete description of the situation in each country, and it is hoped that delegates will call attention to any important errors or omissions.

CHAPTER I

GREAT BRITAIN

The war has been divided into three major phases as far as Great Britain is concerned, and the measure of tripartite collaboration has followed closely the developments of the war. There was, first, the period which lasted until the spring of 1940. The second phase, which began with the intensification of the conflict in Western Europe and ended with the great air attack on Great Britain, was marked by intense effort, in which long-term considerations (such as, for example, the effect of prolonged hours of work on output) had temporarily to be swept aside, though these considerations were not forgotten. The third phase is still in progress, it is characterised by a relaxation of the intensity of the efforts of the summer of 1940, but this does not mean that industry has returned to the leisurely pace of the first phase, the objective is to secure maximum national output in all spheres of activity, geared to the speed necessary for endurance over a long period. In fact, a higher level of production has been achieved, and the Prime Minister was able to declare in the House of Commons on 29 July 1941 that "the Ministry of Supply output in the last three months has been one-third greater than in the three months of the Dunkirk period"

Collaboration between Government authorities and employers' and workers' organisations has been directly influenced by the changing tempo of the war effort during these phases. Great Britain entered the war with a powerful and united trade union movement, with well-developed employers' organisations and with an accepted tradition of collaboration and collective bargaining. During the first phase of the war, the trade unions were active in demanding national recognition of their role in the emergency; and steps were gradually taken by the Government to associate them more closely in the initiation and application of wartime social policy. During the second phase, the critical national situation brought a great extension of the practices and procedures of tripartite collaboration over the widest fields of economic and social life, from the individual workshop into the national Government, in order to harness all the na-

tion's resources to the war effort. During the third phase, experience acquired in the field of collaboration is being utilised and the procedures perfected and judged, with the aim of a wider and more vigorous application of desirable and feasible measures and practices.

COLLABORATION IN THE CENTRAL ADMINISTRATIVE MACHINERY

Co-ordination of policy for carrying out the war effort is secured through a number of War Cabinet committees, each of which advises the War Cabinet on matters within its own sphere and also, as far as possible, relieves the War Cabinet of business by taking necessary decisions. From the point of view of collaboration, the most important of these committees is the Production Executive, which gives effect to the general policy of the War Cabinet in matters of production.¹

Further, the needs of the war effort have led to the establishment of a number of new Ministries. In particular, the Ministry of Supply, the Ministry of Aircraft Production, the Ministry of Works and Buildings, the Ministry of Information, the Ministry of Economic Warfare, and the Ministry of Shipping, at the outbreak of war the Ministry of Labour was reorganised to become the Ministry of Labour and National Service, and in June 1940 it took over the functions previously carried out by the Home Office in connection with the administration of the Factories Act.

The work of some of these committees and Ministries in which there has been a considerable amount of collaboration with workers and employers will be described to illustrate the extent to which tripartite co-operation has been secured during each phase of the war effort.

Cabinet Committees

The Production Executive, the chairman of which is the Minister of Labour and National Service, is composed of the heads of the three Supply Departments (the Minister of Supply, the Minister of Aircraft Production, and the First Lord of the Admiralty), the

¹ The Production Executive was established in January 1941, replacing an earlier committee known as the Production Council. Its duties have developed steadily in the course of the war, and in the spring and summer of 1941 a series of sub-committees was set up to facilitate its work. It is most directly concerned with production for actual war purposes (i.e. munitions, etc.), but its functions include the allocation of available resources of materials, production capacity, and labour, and the establishment of priorities where necessary. In addition it makes arrangements to meet the necessary requirements of other forms of production such as agriculture.

President of the Board of Trade, and the Minister of Works and Buildings

The Production Executive operates through four main committees (i) a Man Power Committee, (ii) a Works and Buildings Committee (which works in close touch with the Ministry of Labour and National Service and the Ministry of Works and Buildings), (iii) an Industrial Capacity Committee, and (iv) a Central Joint Advisory Committee

In July 1941, in response to a suggestion made by the General Council of the Trades Union Congress and supported by the employers' organisations, tripartite collaboration was carried up to the central organisation of the Production Executive by the creation of a Central Joint Advisory Committee¹ This agency is composed of 12 employers' representatives, selected by the Federation of British Industries and the British Employers' Confederation, and 12 workers representatives nominated by the General Council of the Trades Union Congress Its terms of reference are "To advise the Production Executive on general production difficulties (excluding questions relating to wages and conditions in individual industries normally subject to joint negotiation) and on such other matters relating to production as may arise from the proceedings of Regional Boards or be referred to the Committee by the Production Executive"²

National organisation has been supplemented during the war by regional machinery both for emergency civil administration and for dealing with production and supply problems The regional organisation for civil defence is under the direction of Regional Commissioners In order to make available to the Regional Commissioners the experience and advice of the trade union movement, the General Council of the Trades Union Congress appointed representatives and deputy representatives to serve in each of the twelve defence regions of the country This machinery has been linked with the Central Joint Advisory Committee of the Production Executive by naming the 12 regional representatives of the Trades Union Congress as trade union members of the Committee³

In the field of production, area machinery, composed of officials of a number of departments, was set up early in the war under the Ministry of Supply In July 1940, the Area Boards of the Ministry

¹ Cf Sir Walter CITRINE, K B E *The TUC in Wartime, an Informal Record of Three Months' Progress* (London, May 1941), p 10

² Cf *The Board of Trade Journal* Vol 147, No 2328, 19 July 1941, p 31 (Statement from the Offices of the Production Executive)

³ Cf TRADES UNION CONGRESS General Council's Report to the Seventy-Third Annual Congress, 1-4 Sept 1941, pp 90 and 91

of Supply were transferred to the Industrial Capacity Committee¹ In August they were reorganised on a tripartite basis, being composed of officials of the Admiralty, the Board of Trade, the Ministries of Labour, Supply, and Aircraft Production, three employer and three trade union representatives, the chairman and deputy chairman being drawn from the employer and trade union members² After re-examination of the functioning of the regional machinery in the spring of 1941, further modifications were made in July, the Area Boards were reconstructed and named the Production Executive's Regional Boards³ The membership of the Production Executive's Regional Boards was broadened to include representatives of certain important official organisations, such as local representatives of the Emergency Repair Organisation of the Ministry of Works and Buildings, the Regional Transport Commissioners, the Raw Materials Department of the Ministry of Supply, and the Chairman of the Machine Tool Area Committee Their functions were extended to include bringing to attention raw material difficulties, transport difficulties for workers or goods, and problems arising from the local incidence of the concentration of industry, advising on the provision and allocation of factory accommodation, arranging the interchange of machine tool capacity, suggesting remedies for the overloading of particular firms; and explaining, through the trade unions' and employers' representatives, production difficulties which give rise to discontent⁴

¹ The Industrial Capacity Committee is presided over by the Parliamentary Secretary of the Ministry of Supply Its main task is the allocation of production capacity and the discovery and utilisation of additional capacity for increasing the nation's resources

² In their original form, the Area Boards of the Ministry of Supply had been composed entirely of officials, while District Advisory Committees had been set up composed of equal numbers of employers and trade union representatives The initial functions of the Area Boards had been to disclose latent production capacity and to secure the best possible use of plant and labour in the area The District Advisory Committees were subsequently maintained as consultative committees in engineering matters but tended to lose their importance since the Boards, when attached to the Industrial Capacity Committee, had been given power to set up special advisory panels to advise on the needs of either a particular industry or a particular district within the area

³ Cf *Parliamentary Debates, House of Commons, Official Report*, Vol 370, No 43, 27 March 1941 The Minister of Labour indicated that the local machinery, including the Area Boards, was being re-examined with a view to ensuring their maximum contribution After investigation, it was indicated that the representative members of the Board tended to feel dissatisfied with their function and with the use being made of the Boards In consequence, the reorganisation took place and, at the suggestion of the Industrial Capacity Committee itself, the Boards were transferred to the Production Executive and their functions considerably expanded

⁴ Cf *The Board of Trade Journal*, *loc cit* The functions and duties of the Production Executive's Regional Boards include

Maintenance of the Production Executive Register of Capacity for the region,

The work of each Board is directed by an Executive Committee consisting of officials of the Supply Ministries, the Board of Trade, and the Ministry of Labour and National Service, together with the Chairman and/or the Deputy Chairman, who are drawn from the employers' and workers' representatives. The practical carrying out of the work is to be conducted by sub-committees, the members of which are chosen according to their particular duties. Except where it may be necessary to give them executive authority in advance, the powers of the Boards remain advisory. Where necessary, the Boards are to set up Capacity Clearing Centres which deal with industrial capacity in the same way as the Employment Exchanges deal with labour supply. There are ten of these Centres in operation in the London area alone and the principle of spreading them gradually to other areas has been adopted as a national policy by the Central Joint Advisory Committee of the Production Executive.¹ The

Arranging, with the Area Officers, interchange of machine tool capacity to relieve overload and to expedite production,

Suggesting remedial action in regard to firms that may become overloaded with a multiplicity of contracts,

Advising the Regional Controller of Factory and Storage Accommodation on problems of providing and allocating factory accommodation,

Co-operating with the Emergency Repairs Department of the Ministry of Works and Buildings in connection with the plans for the repair of air-raid damage affecting production,

Maintaining liaison with the Emergency Service Organisation through the Ministry of Aircraft Production offices,

Bringing to the notice of the appropriate authority any transport difficulties, whether of workers or of goods, and securing their co-operation,

Maintaining close touch with the Board of Trade representative regarding concentration of industry;

Bringing to the attention of the local representatives of the Ministry of Supply, the Raw Materials Departments, and the Controls, raw materials difficulties,

Explaining, through the trades unions' and employers' associations' representatives, the production difficulties which give rise to discontent,

Co-operating with the Ministry of Labour and National Service on difficulties of labour supply and training and in the application of the Essential Work Order.

¹ The London and South-Eastern Area Board set up seven "clearing centres" in the London area during the latter half of October 1940. The necessity for this measure of decentralisation was demonstrated by the experience of the Board in attempting from its headquarters to harness spare machine tool capacity. The Board was convinced that the problem could only be dealt with from district clearing centres, and accordingly obtained authority to establish them. These centres are staffed by technical officers under the direction of the Area Board. Attached to each centre is a District Advisory Committee consisting of representatives of employers and workers and serving to make the intimate knowledge of local conditions available to the technical officers of the Ministry of Labour and National Service. The clearing centres began to function effectively in January 1941, and between that date and 31 July 1941, succeeded in making over 2,000 effective "introductions" of workers. The experience in this area determined the Production Executive, when forming the reconstituted Production Executive's Regional Boards, to direct the Regional Boards to institute machinery for capacity clearing exchanges in their areas.

origin of the policy provides an excellent illustration of the way in which collaboration is used to solve the more stubborn problems of the production mechanism. The idea of the centres developed out of the experience and discussions of employers and workers regarding methods (particularly on a regional scale) by which all resources could be turned to best account in every part of the country.

The reorganisation of the production machinery to ensure fuller tripartite collaboration and more integrated regional organisation has met many of the earlier difficulties and criticisms. In a recent debate in the House of Commons, the operation of the various parts of the production machinery was explained, and tribute paid to their utility. Nevertheless, it was also made clear that further administrative changes were to be expected in the future in order to eliminate remaining difficulties and particularly in order to link the Production Executive, the Production Executive's Regional Boards, and their representative advisory bodies, with Production Committees in individual factories.

The Minister of Labour and National Service has outlined his purposes in working through the regional machinery, stating "We have been working with the Regional Boards, and we have been trying to carry out principles of devolution, I admit not with complete success." He explained the purposes of devolution as follows: "The first is the right distribution of materials, the second is the full use of industrial capacity, and the third is to bring within the orbit of the main manufacturer every possible manufacturing unit in the vicinity."¹ After criticising certain aspects of the production effort, a member of the House said "I do not think the Government have been given sufficient credit for the setting-up of the Production Executive, the Advisory Committee, and the Regional Committees. That was a wise move. The Advisory Committee has the effect of harnessing the experience of industry generally on the part of employers and workers to the Production Executive. That was badly needed. The Regional Committee does the same thing." In discussing the work of the Advisory Committee, he observed: "When complaints can be put to the Advisory Committee by the employers' side of industry, the Committee get to know what is wrong, and they get plenty of quick information. They come up, too, from the workers' side. It is expected that these meetings, representative of the workers and the employers, will keep the Production Executive informed of what is happening in the country."²

¹ *Parliamentary Debates, House of Commons, Official Reports*, Vol. 373, No. 91, 29 July 1941, col. 1363.

² *Ibid.*, col. 1356.

Ministry of Labour and National Service

The functions of the Ministry of Labour and National Service have been greatly extended to meet war requirements, the work of the agencies concerned with various aspects of labour policy being closely co-ordinated under the direction of the Ministry

(a) National Joint Advisory Council

Soon after the outbreak of war, a National Joint Advisory Council was set up to advise the Minister of Labour and National Service on matters in which employers and workers have a common interest. The Council was composed of 15 members nominated by the British Employers' Confederation and 15 nominated by the General Council of the Trades Union Congress. It has not been concerned with the internal affairs of any particular industry, nor has it replaced the normal procedure of trade union consultation by individual Ministers or Departments. The broad advisory competence of the National Joint Advisory Council is indicated by the nature of the subjects which it has discussed. These have included the Schedule of Reserved Occupations, the application of the Control of Employment Act to the engineering industry, the cost-of-living index, the position of National Service Committees, collections for the British Red Cross Society, proposals for curtailing the period of black-out, wages in wartime, food prices, restrictions on profits; voluntary savings, summer time, wartime holidays; labour supply and distribution, wage-regulating machinery, fair wage clauses, staggered pay days; conditions of work during air raid alerts.

Furthermore, from the outset of the war, the Act conferring powers on the Minister of Labour and National Service for the control of employment during the war made formal provision, at the request of the trade union movement, for the use of a special representative committee to advise him before the issuance of any Order placing restrictions on the engagement of workers¹

During the first months of the war, no other new machinery for collaboration with the Ministry of Labour was provided, and only one Order was issued under the Control of Employment Act.

The second phase of the war, however, brought important dev-

¹ Control of Employment Act, 1939, 2 and 3 Geo VI, ch 104, assented to 21 Sept 1939. The Act includes the provision "that before making an Order under this subsection, the Minister shall refer a draft of the Order proposed to be made to a committee appointed by him, consisting of a chairman and equal numbers of members representing, respectively, organisations of workers and organisations of employers which appear to him to be concerned"

elopments An outstanding trade unionist was made Minister of Labour and a new Emergency Powers (Defence) Act, dated 22 May 1940, extended the Minister's powers to include responsibility for the fullest utilisation of the human resources of the country¹ The Minister, if he considers it necessary, is authorised to direct any person to carry out any service which he considers him capable of doing and to determine what constitutes suitable conditions of employment for such workers The scope of these responsibilities necessitated even closer consultation by the Minister with employers' and workers' organisations Consequently, for reasons of practical convenience, the National Joint Advisory Council, at the Minister of Labour's suggestion, established a smaller body, the Joint Consultative Committee, composed of seven (instead of 15) members nominated by the British Employers' Confederation and seven nominated by the General Council of the Trades Union Congress

(b) *Joint Consultative Committee*

Since its establishment, the Joint Consultative Committee has been in almost continuous contact with the Minister It constitutes the most important central agency for enabling the Government to consult workers and employers upon all general problems affecting labour² The functions of the Joint Consultative Committee are very broad, they include advising on such problems as the creation of machinery to prevent strikes and lock-outs and provide for the determination of conditions of work, the registration of special classes of war workers, and the drafting of other legislation connected with the labour aspects of the war effort The examination of proposed regulations, particularly those concerning the Control of Employment and the Essential Work Orders, has been thorough and detailed and, in some cases, extended even to the formulation

¹ The Emergency Powers (Defence) Act, 1940, 3 and 4 Geo VI, ch 20, signed 22 May 1940, extends the powers conferred by the similar Act of the preceding year The Defence (General) Regulations, 1939, as amended in virtue of the Emergency Powers (Defence) Act, 1940, provided for the distribution of responsibility among the various Ministers From this period Orders of the Minister of Labour and National Service have been issued under these Regulations rather than the earlier Control of Employment Act

² Whereas the Joint Consultative Committee is concerned with questions of labour conditions, the Central Joint Advisory Committee to the Production Executive, set up in July 1941, is concerned wholly with problems of production While there may be some slight overlapping, the two joint boards should provide for very complete consultation on all of the industrial aspects of the war effort

of the instructions to be issued by the Ministry to its officials. The advisory character of the Committee's functions is particularly well illustrated in the procedure used in drafting the industrial registration orders. While there was direct consultation by the Government both of the employers' and of the workers' organisations in the individual industries affected by the orders, the Joint Consultative Committee was not only kept informed at all stages of drafting and application but participated in the final framing of the various orders¹

(c) *Labour Supply Organisation*

One of the most important problems that had to be dealt with by the Minister of Labour was to find means of securing a supply of labour adequate to meet the demand for the rapid increases in war supplies made necessary by the collapse of France and the loss of British equipment. In this task, the collaboration of employers and workers was urgently sought, with the double object of using their knowledge and advice and of maintaining production and industrial peace both through protective measures and through the association of trade unions with the measures taken. One of the first acts of the new Minister of Labour in May 1940, therefore, was to set up a Labour Supply Board consisting of the Minister of Labour as Chairman, the senior officers of the Ministry, and four Directors of Labour Supply, of whom two were industrialists and two trade unionists. Local Labour Supply Committees were also set up in those areas which were the most important from the point of view of war production. These consist of the Chief Labour Supply Officer, the local employment exchange manager, two labour supply officers drawn from the ranks of the trade unions and of management respectively, the local welfare officer, and the factory inspector. Inspectors of labour supply were also appointed—recruited, in many instances, from among trade unionists. Their functions are to inspect undertakings in the engineering industry with a view to securing the best use of the available labour, to make

¹ Among the subjects which the Joint Consultative Committee have considered and upon which they have advised the Minister are formation of National Arbitration Tribunal and subsequently revision of the Conditions of Employment and National Arbitration Order, 1940, the Essential Work Orders, new fair wages clause, restoration of pre-war trade practices, reinstatement of military and civilian workers, Fire Watchers' Order, Schedule of Reserved Occupations, compensation for loss of tools, Registration for Employment Order, absenteeism, man-power (training and transfer), organisation of emergency trade union machinery, proposed Advisory Committee to the Production Executive of the Cabinet, etc. *TRADES UNION CONGRESS op cit*, p 63

recommendations regarding upgrading, dilution, etc., to recommend transfers of labour, and to stimulate training by employers

In order to put a stop to competitive bidding among employers for essential skilled workers, an Undertakings (Restriction on Engagement) Order¹ was made in June 1940 to control employment in certain industries (building, civil engineering, contracting, and general engineering). The Order was drafted in consultation with trade union and employers' representatives but created no new collaboration machinery, it provided that workers could only be engaged through local offices of the Ministry or, exceptionally, through trade unions where there were arrangements for this purpose approved by the Minister. Subsequent Orders extended restrictions on engagement to the electrical installation and shipbuilding and ship-repairing industries.²

In consultation with the representatives of employers and workers on the Joint Consultative Committee, various Orders were issued during 1940 which required the registration of men in occupations essential to war industry in which there was already a shortage of workers. Representatives of the employers and workers affected by the Orders—mainly engineering, chemistry and contracting—helped to make the registrations known to and understood by their respective organisations, with the result that voluntary transference, where necessary to meet urgent war needs, was facilitated and the Ministry had a complete register of the reserve of man-power available in those occupations where there was the greatest scarcity.

In the spring of 1941, the various registration Orders were supplemented by a general Registration for Employment Order which required the registration of the sections of the adult population of the country, including women, which had not been covered by other orders.³ Since the Registration for Employment Order applied to women as well as men, the Minister of Labour appointed a Women's Consultative Committee, representing trade unions and other organisations catering for women, to advise him in deciding the stages by which women were to register and the principles on which they were to be allocated to work of national importance.

In addition to the various steps to obtain accurate information regarding the supply of labour, more drastic action was taken in

¹ The Undertakings (Restriction on Engagement) Order, 1940, effective 10 June 1940, S R and O 1940, No 877

² Electrical Installation (Restriction on Engagement) Order, 1941, dated 15 March 1941, S R and O 1941, No 409, Essential Work (Shipbuilding and Ship-repairing) Order, 1941, dated 7 March 1941, S R and O 1941, No 300

³ Registration for Employment Order, 1941, dated 15 March 1941, S R and O 1941, No 368

the spring of 1941 to control the movement of workers from one employment to another. A series of Essential Work Orders was issued after consultation and discussion with the employers' and workers' organisations. The basic Order, issued in April 1941 and known as the Essential Work (General Provisions) Order, covers the general engineering industry and those other industries in which the general conditions of employment are similar and do not call for special treatment, e.g. railways, road transport, non-ferrous metal manufacturing, gas, water and electricity undertakings.¹ There are also special orders for shipbuilding and ship-repairing, coal-mining, building and civil engineering, and the Merchant Navy, each of which was drafted with the help of employers and workers concerned. The main feature of all the Essential Work Orders is that undertakings may be included within their scope on the recommendation of the Government department primarily interested, provided that the Minister of Labour is satisfied that the conditions of employment, wages and welfare are satisfactory.² Moreover, a worker must receive a guaranteed minimum wage so long as he is capable of and available for work during normal working hours. Workers in scheduled undertakings who are guilty of absenteeism, lateness, or failure to obey lawful orders given to them may be directed by the National Service Officer to carry out their work in a specified manner. One of the major consequences of the Order is that, when an undertaking is scheduled, a worker may not leave his employment nor may he be discharged (except for serious misconduct) without the permission of a National Service Officer of the Ministry of Labour. There is a right of appeal against the decision of a National Service Officer to a local appeal board composed of an independent chairman, one nominee of employers, and one of the trade unions.³ Although the recommendation of the local appeal board is not binding on the National Service Officer, it is expected that he will normally accept it.⁴

¹ Essential Work (General Provisions) Order, 1941, dated 5 March 1941, S.R. and O. 1941, No. 302.

² The terms and conditions of employment must not be less favourable than those provided for by the Conditions of Employment and Arbitration Order of 1940, which will be discussed below in connection with machinery for the determination of conditions of work.

³ Special arrangements exist for the composition of the board in the case of work undertaken by the Government itself.

⁴ An amending Order to the General Provisions Order has recently been made providing that scheduling may be in respect of specified persons and not all the employees of an undertaking. It also permits suspension without pay for not more than three days on disciplinary grounds where the conditions of service permit of such suspension. The worker has the right of appeal to the local appeal board. Essential Work (General Provisions) (Amendment) Order 1941, dated 18 July 1941, S.R. and O. 1941, No. 1051.

As a further measure for increasing the amount of labour available, steps were taken by the Ministry of Labour to draw upon the reserves of Allied labour available in the country. An Advisory Committee representing the Supply and Contracting Departments, with two representatives each from the Trades Union Congress and the British Employers' Confederation, was appointed to assist an International Labour Branch, set up within the Ministry of Labour to organise the employment of Allied labour.

(d) *Factory and Welfare Advisory Board*

In addition to measures taken for increasing the supply of labour and securing its more efficient use, the Minister of Labour, immediately after the intensification of the war in the spring of 1940, developed plans for safeguarding and improving workers' welfare. The immediate effect of the urgent need for increased production had been the suspension, in certain respects, of the Factories Acts, the lengthening of hours of work and various changes in the conditions of employment which will be discussed below. In order to guard against the ill-effects of such strains, the Minister of Labour, when taking over the functions of the Home Secretary under the Factories Act in June 1940, set up a Factory and Welfare Advisory Board composed of members of the Trades Union Congress General Council in a personal capacity, civil servants, and specialists in industrial welfare. The functions of the Board include developing to the utmost possible extent the safety, health, and welfare machinery inside factories and outside, billeting, community feeding, and other welfare arrangements needed in various localities in consequence of the large-scale transference of workers. A Factory and Welfare Department was established in the Ministry of Labour, while local welfare advisory panels of a representative character were appointed to advise the factory inspectorate on local and area problems.

(e) *Seamen's Welfare Board*

In October 1940 a Seamen's Welfare Board was established as part of the welfare organisation of the Ministry of Labour and National Service.¹ The Board includes in its membership four ship-

¹ Cf. *International Labour Review*, Vol. XLIII, No. 4, Apr. 1941, for a full discussion of the organisation for Seamen's Welfare. Although the Board was set up subsequent to the Factory and Welfare Board, it is older in conception and was inspired by the Seamen's Welfare Recommendation adopted in 1936 by the International Labour Conference.

owners' representatives, four seamen's representatives, and two representatives of the voluntary organisations. Its function is to advise on all questions concerning the welfare of British, Allied, and foreign seamen in British ports, and of the crews of British ships in overseas ports. Its scope includes the co-ordination of welfare work in the ports and the provision or improvement of hostel and recreation facilities for seamen, the examination of questions affecting seamen's health, and advice on the activities of local port organisations and on the finance of welfare generally. A system of local Welfare Committees, also representative in composition, has been set up in a number of ports with welfare officers to act as secretaries.

Ministry of Supply

In dealing with the problems arising out of the supply of materials and equipment, there has been a steady growth in the use of varying procedures for Government consultation of employers' and workers' organisations. There is obviously a close relationship between the material supply and the supply of labour, and consequently the organisations set up to deal with these problems interlock at various points.

The Ministry of Supply had existed in skeleton form before the war within the Board of Trade, and in 1939 was made an independent Ministry, whose primary function was the supplying of the material requirements for the army. The General Council of the Trades Union Congress, before the war, had urged the setting up of a Ministry of Supply to cover all three services and to co-ordinate supply problems. This suggestion was not adopted by the Government, the Admiralty and the Ministry of Aircraft Production remaining outside the Ministry of Supply organisation.¹ The new machinery set up by the Ministry of Supply at the beginning of the war consisted of a Supply Council, presided over by the Minister and comprising heads of departments (many of whom are in fact industrialists who have been made officials primarily in order to make available their industrial experience), and a series of Controllers of raw materials and of the allocation of civilian supply. The Controllers were assisted, as regards raw materials, by advisory committees, and trade panels were set up, when required, to deal with manufactured articles.

Initially, there was no trade union representation in this machinery, but after a discussion between the Prime Minister and the

¹ The Admiralty provides its own capital equipment while the Ministry of Aircraft Production, set up in May 1940, supplies the Air Ministry, leaving only the War Office to be served by the Ministry of Supply.

General Council of the TUC, a Trades Union Advisory Committee to the Ministry of Supply was set up on 5 October 1939. It was decided that the same body should also advise the Air Minister. The Committee included no employers, the question of their inclusion was not raised. Throughout the first phase of the war, the Committee only met once (in November 1939) when it discussed production delays, lack of transport co-ordination, proposals for regional organisation, etc. One of the proposals subsequently made by the Advisory Committee was the setting up of a National Joint Industrial Council to operate in various establishments of the Ministry of Supply.¹ The functions of the Committee were, in fact, taken over in July 1941 by the Central Joint Advisory Committee to the Production Executive of the War Cabinet, which has already been mentioned.

The commodity control organisation set up by the Ministry of Supply was not of a uniform pattern. The number of trade panels varied according to need in particular controls; an exceptional number, for example, was required in connection with equipment and stores in clothing and textiles, and one of these, the Rubberised Clothing Panel, controlled exceptionally the whole process from the supply of the raw material to the finished article. The composition of advisory committees, their scope, and the frequency of their meetings also varied within the controls, in one case, the paper control, separate committees were set up to deal with newsprint, paper-making, periodicals, wood-pulp, waste-paper, etc. While there were no trade union representatives originally on the controls, advisory committees and trade panels, the Minister of Supply subsequently agreed to add trade union representatives whenever this was desired.²

The frequency of meeting and the efficiency of the advisory committees have varied with the difficulties encountered by the controls. In some cases, where the establishment of a control was urged, the proposal was rejected because the production capacity of the industry at the time exceeded the Ministry's requirements. This was

¹ Sir Walter CITRINE *op cit*, p. 10

² The controls initially set up and furnished with advisory committees which included trade union representatives dealt with aluminium, hemp and flax, iron and steel, jute, leather, molasses, industrial alcohol, non-ferrous metals, paper, silk and rayon, sulphuric acid, sulphate of ammonia and other fertilisers, timber, wood and cement.

When the General Council of the Trades Union Congress learned that a Cement Control was to be established by the Commissioner of Works and Public Buildings, it raised the question of representation with the Parliamentary Secretary to the Ministry and, as a result, two members of the Trades Union Council were appointed to the Cement Control.

the case, for example, with the wood-working industry. In part, this explains the fact that a cotton controller was not appointed at the outbreak of war. The situation was exceptional in the cotton industry, since before the war the industry had been in the course of reorganisation with Government aid. Owing to changed conditions brought about by the war, the Cotton Industry Act of 1939 was held in abeyance.¹ A Cotton Board was established in September 1939 by the Minister of Supply and the President of the Board of Trade, which included three representatives of the trade unions, and, as a voluntary joint body, was concerned with research, publicity, and especially with overseas trade. In December 1939, when the supply problem became acute in part as a result of insufficiency of productive capacity in certain sections and in part from lack of raw materials, the independent Chairman of the Cotton Board was appointed as Cotton Controller and the Cotton Board then became his advisory committee. In 1940 a Cotton Industry Act was passed² which gave statutory authority to the Cotton Board, outlined its functions as an instrument of research and publicity, and gave it financial support in the form of a levy on the industry. Thus in fact the Board acquired a double role, having at once its statutory duties and its function as an advisory committee to the Cotton Controller.³

In addition to the central organisation of the Ministry of Supply, regional machinery of the Ministry was instituted at the outbreak of the war, consisting of Area Boards representative of official agencies and District Advisory Committees composed of employers and trade union representatives in equal numbers. The reorganisation of the Ministry of Supply Area Boards and their transference, first to the Industrial Capacity Committee and then directly to the Production Executive, has been described above in connection with the work of the Production Executive.

¹ Cf. John PRICE *Labour in the War* (Penguin Books, 1940), p. 107. The Cotton Industry (Reorganisation) (Postponement) Act, 1939, postponed the operation of the Cotton Industry (Reorganisation) Act, 1939. The Parliamentary Secretary to the Board of Trade stated that consultations between the Board of Trade and the Joint Committee of the Cotton Trade Organisations had brought agreement that a simpler organisation should be provided to deal with problems in the cotton industry arising directly out of the war.

² Cotton Industry Act, 1940, 3 and 4 Geo. VI, ch. 9.

³ The composition of the Cotton Board, in accordance with the Cotton Industry Act, provides for an independent chairman, two full-time experts in manufacturing and merchanting, six employers concerned with raw cotton, rayon fibre, spinning, weaving, finishing, and purchasing, and three workers concerned with spinning, weaving, and finishing.

Board of Trade

The Board of Trade is responsible both for the determination of the supply of materials for non-essential industries and for the regulation of wholesale and retail prices, with the exception of those food prices which have come under the Ministry of Food¹ Consultation of employers' and workers' organisations within the Board of Trade has been carried out through the Export Council, through the machinery used for carrying out the policy of concentration of production, and in connection with price regulation²

In February 1940, an Export Council was set up under the President of the Board of Trade to assist in the organisation of overseas trade Its membership included representatives of the Treasury, Foreign Office, Ministries of Supply and of Economic Warfare, and also industrialists and trade union representatives In March 1941, the Export Council was expanded and renamed the Industrial and Export Council In addition to representatives of the Ministries of Labour and National Service and of Supply, it includes the Controller General of Factory and Storage Space, a number of industrialists mainly engaged in businesses not directly concerned in the plans for the concentration of industry, and two trade union representatives The principal new function of the Industrial and Export Council is to assist the President of the Board of Trade in the formulation of plans for the concentration of industrial capacity Decisions as to which firms should constitute nucleus firms are largely reached through discussions within each individual industry, and for this purpose a series of sub-committees of the Industrial and Export Council, consisting of industrialists, has been set up Among the purposes of the plans are the avoidance of unnecessary employment and of the under-employment of men, machinery and space, as well as the making of labour available for essential industries These objects are to be achieved by concentrating production in a reduced number of factories, each one of which will work full time³

¹ In virtue of the Emergency Powers (Defence) Act, 1939, the President of the Board of Trade was authorised to issue Orders limiting the supply of materials for non-essential industries

² The Government, as a result of representations of the Trades Union Congress, secured the passage of the Prices of Goods Act in November 1939 to prohibit the sale of price-regulated goods at more than a permitted price Cf John PRICE *op cit*, p 149

³ The industries affected are, in general, those covered by the Limitation of Supplies (Miscellaneous) Order, 1940, SR and O 1940, No 874, together with certain industries subject to the control of raw materials This selection of industries is not, however, final The procedure differs in detail from industry to industry Dates were fixed by which various industries had to submit their plans, some of which were already in an advanced stage, including, for example, the spinning section of the cotton industry

Apart from this extension of the functions of the Industrial and Export Council, the plans for the concentration of production have not led to the creation of new formalised machinery of collaboration. However, the application of the various plans has been preceded by constant discussion between employers and workers, making use of existing machinery for collaboration in the different industries.

One of the most important fields in which trade union collaboration has been secured is in the operation of the price-fixing machinery. In October 1940, after discussion of the subject between the Board of Trade and the General Council of the Trades Union Congress, a member of the General Council (at the time its Vice-Chairman) was appointed on its nomination to the Central Price Regulation Committee, which also includes a representative of the co-operative movement. This Committee is responsible for supervising the application of the Prices of Goods Act and plays an important role in the general system of distribution.¹ A particularly interesting example of the effect of the Central Price Regulation Committee concerns the coal industry. As a result of the recommendation of the Committee, in July 1940, a new Retail Coal Price Order provided for the appointment of committees to assist the Divisional Coal Officers. Instructions were issued to ensure, in agreement with the appropriate local trade union organisation, the presence of a working-class consumers' representative on each committee. The need for action on these lines has consistently been urged by the General Council of the Trades Union Congress.

In addition to the Central Committee, there are 17 area committees, each of which contains one or more trade union members. These committees have played an important part, particularly in the investigation of complaints of excessive prices. Their powers in future may be extended to include inspection as well as investigation.

Further, in May 1941, the President of the Board of Trade set up a committee to examine problems of the retail trade in commodities other than food commodities, having regard to the immediate needs of the war and to the position after the war. Representations were made to the President of the Board of Trade on behalf of the General Council, and the Trades Union Congress.

¹ Cf. *Parliamentary Debates, House of Commons, Official Report*, Vol. 372, No. 74, 19 June 1941, col. 854. The President of the Board of Trade, on the second reading of the Goods and Services (Price Control) Bill, introduced to extend the powers conferred by the 1939 Act, paid a tribute to the effective work of the Central Price Regulation Committee.

was invited to nominate three representatives who were then appointed to serve on the committee¹

Ministry of Food

Collaboration within the central organisation of the Ministry of Food is secured through a Trade Union Advisory Committee composed of five members of the General Council of the Trades Union Congress, which was established to advise the Minister generally on matters of food policy and administration. A significant aspect of this work has been the expression of the workers' point of view in regard to rationing. In another field—the control of commodities—the principal object of the trade union collaboration has been the use of the expert knowledge possessed by the industrial organisations. When control organisations were set up within the Ministry of Food to secure the maintenance of supplies of essential commodities such as canned fish, condensed milk, bacon and ham, cereals, feeding-stuffs, eggs, butter, cheese, tea, potatoes, sugar, dried fruits, and oils and fats, advisory committees were appointed which in a number of cases, on the recommendation of the General Council of the Trades Union Congress, included trade union representatives². Over 50 slaughter-house tribunals were set up to hear appeals against the closing of slaughter-houses in consequence of the meat and livestock control scheme, and at the Minister's request the General Council of the Trades Union Congress nominated representatives to each of these tribunals.

In addition to this collaboration in the control of food supplies, and to the general Trade Union Advisory Committee, special arrangements have been made for the inclusion of trade union representatives in the local Food Control Committees set up by the Ministry. These number over 1,500. Originally, these committees, which were constituted just before the outbreak of war, consisted ordinarily of 15 members, of whom five represented the retail trades and the remainder the general public³. These members were appointed for a period of a year, and when, in response to the request of the General Council of the Trades Union Congress for

¹ TRADES UNION CONGRESS *op cit*, p 83

² In July 1941, the Commodity Advisory Committees dealing with oat-meal and pearl barley millers included 2 trade union representatives, flour-milling, 1, edible pulses, 2, home-produced eggs, 2, imported eggs, 2, sugar, 5, cocoa, 2, canned fish, 1, fish, 5, national producers and wholesalers, 2, national retailers, 2, fruit and vegetables, 2

³ Food Control Committees (Constitution) Order, 1939, dated 1 Sept 1939, S R and O 1939, No 1019

trade union representation on these committees, it was agreed to add trade union representatives, it was necessary to alter the composition of the committees by means of a new Order. On 24 May 1940 an Order was issued providing for the appointment of trade union representatives to vacancies among the general public representatives on committees in which the Ministry and the Trades Union Congress considered it desirable to have trade union representatives¹. Nearly 450 committees now include such representation, and in addition, other trade unionists serve on the committees in an individual capacity. These committees are analogous to local government organisations, the strength and effectiveness of the trade union representation vary from district to district as labour interests play a large or small part in local government². The functions of the committees include the local application of food control orders, for example, licensing of retailers and the local administration of rationing. An important role of the committees has been to facilitate the expression of criticism and to bring out particular local food problems.

Ministries of Transport and Shipping

The Ministry of Shipping was established at the outbreak of war, largely in response to the demand of the Trades Union Congress³. A Shipping Advisory Council was set up in September 1939 to advise the Minister, and comprised three representatives of the Ministry, together with nine shipowners' and nine seamen's representatives.

In April 1941 a War Transport Council was set up under the Ministry of Transport, including two trade union representatives, to advise the Minister on the co-ordination of all forms of land transport and on all questions arising out of the war. When the

¹ Food Control Committees (Amendment) Order, 1940, dated 24 May 1940, S R and O 1940, No 788.

² Cf Sir Walter CITRINE *op cit*, p 15, where, in indicating that there will be trade union representatives in areas where a trades council or sufficiently representative local trade union organisation informs the General Council of a desire for representation, he states "In some cases the trades council concerned has been a bit slow and there is no representative on the Food Committee. That should be put right by September, when the annual reconstitution of the committees takes place. Sometimes the local authority is apt to ignore the legal obligation to give the trade union movement an opportunity of representation. If trades councils or affiliated unions let us know of such cases, we will advise them what to do."

³ Cf John PRICE *op cit*, p 159. "In the case of the shipping industry the trade unions did not merely press for representation on the advisory body set up by the Minister but actually took a large part in securing the establishment of the Ministry."

Ministries of Shipping and Transport were amalgamated in July 1941, these two Councils were maintained, being known respectively as the Shipping Advisory Council and the Inland Transport War Council. Coastwise shipping was included within the scope of the latter. Each Regional Transport Commissioner has a Regional Transport Advisory Committee, which includes a representative of the trade unions, appointed in consultation with the Trades Union Congress. In addition, in September 1939 a Canals Defence Advisory Committee, later named the Central Canal Committee, was set up, which included trade union representation and the functions of which were to advise on the wartime use and development of inland waterways.

In a closely allied field, namely that of the handling of cargoes at ports, a joint body known as the Port Emergency Committee, and including trade union representation, was set up in each port to determine priorities in loading and unloading cargoes, the type of labour required in each case, and similar questions. The function of the trade union members of these committees was primarily that of rendering technical assistance.

Ministry of Agriculture

Just before the outbreak of war, the Ministry of Agriculture set up War Agricultural Executive Committees in various counties, giving them power to maintain and increase production and essential supplies and services. The farmers and the trade unions concerned are both represented upon these committees. Contact on a regular basis has been continued between the Ministry and the unions concerned. In February of 1940 an Advisory Council was set up, on which the agricultural workers were represented, to assist the wartime development of fruit and vegetables in gardens and allotments.

Other Ministries

Tripartite collaboration has not only been used and extended throughout the war in the Ministries principally concerned with production, supply, labour conditions, food distribution, agriculture, etc., but also in a number of other Ministries. One of the most recent examples of the use of collaboration in regard to a special subject was the constitution of a committee to discuss with the Minister of

Home Security the application of the Fire Prevention (Business Premises) Order¹

In the setting up of the War Damage Commission, a special body charged with the grant of compensation for material damage due to the war and likely to play an important part in the future material reconstruction, the trade union member of the Central Price Regulation Committee was selected to serve in a personal capacity.

Similarly, there is a trade unionist on the Consultative Council to the Treasury, which was set up in July 1940 to advise on war-time financial problems, further, nine trade union advisory committees have been set up to deal with savings questions² Trade union representation is provided on the national and local committees of the Ministry of Information.

Trade unionists have also been called in to assist in other fields. Thus the body created to study the substitution of home-produced for imported fuels included a member of the General Council of the Trades Union Congress, while trade unionists were among the members of several of the six committees later appointed to study various aspects of the problem. The same member of the General Council was also for some time a member of the Tank Board.

COLLABORATION IN DETERMINING CONDITIONS OF EMPLOYMENT

The customary practice of determining working conditions by direct joint negotiations between employers' and workers' organisations has been continued during the war. Nevertheless, the urgent necessity of avoiding any stoppages of work which might delay war-time production has been recognised on all sides and has, as a consequence, given rise to special wartime machinery for the maintenance of industrial peace.

The first, and perhaps the most important, problem submitted to the Joint Consultative Committee of the Ministry of Labour and National Service, immediately after its establishment in May 1940, was the framing of proposals for machinery to prevent strikes and lock-outs.

The proposals of the Joint Consultative Committee state "(1) In this period of national emergency it is imperative that there should be no stoppage of work owing to trade disputes. In these circum-

¹ Fire Prevention (Business Premises) Order, 1941, dated 18 Jan. 1941, S.R. and O. 1941, No. 69. It appears that the Order itself was made without prior consultation.

² *The Natsopa Journal* August 1941.

stances the Consultative Committee representing the British Employers' Confederation and the Trades Union Congress have agreed to recommend to the Minister of Labour and National Service the arrangements set out in the following paragraphs (2) The machinery of negotiation existing in any trade or industry for dealing with questions concerning wages and conditions of employment shall continue to operate Matters in dispute which cannot be settled by such machinery shall be referred to arbitration for a decision which will be binding on all parties and no strike or lock-out shall take place In cases where the machinery of negotiation does not at present provide for reference to such arbitration the parties shall have the option of making provision for such arbitration, failing which the matters in dispute shall be referred for decision to a National Arbitration Tribunal to be appointed by the Minister of Labour and National Service The Minister shall take power to secure that the wages and conditions of employment settled by the machinery of negotiation or by arbitration shall be made binding on all employers and workers in the trade or industry concerned (3) In any case not covered by the provisions of paragraph (2), any dispute concerning wages or conditions of employment shall be brought to the notice of the Minister of Labour and National Service by whom, if the matter is not otherwise disposed of, it shall be referred within a definite time-limit to the National Arbitration Tribunal for decision, and no strike or lock-out shall take place (4) The foregoing arrangements shall be subject to review on or after 31st December 1940 "1

The proposals of the Joint Consultative Committee were accepted by the Minister of Labour, who, after further consultation both with the Joint Consultative Committee and with the larger National Joint Advisory Council, embodied the proposals in the Conditions of Employment and National Arbitration Order of 18 July 1940²

This Order provided for the creation of a tripartite National Arbitration Tribunal to which disputes, reported to the Minister of Labour and National Service and not otherwise settled by the ordinary process of collective bargaining, should be referred The Tribunal consists of five members, three appointed by the Minister, one of whom is chairman, and two representative members selected from panels constituted by the Minister after consultation with the British Employers' Confederation and the Trades Union Congress

¹ Conditions of Employment and National Arbitration Order, 1940, explanatory memorandum

² Conditions of Employment and National Arbitration Order, 1940, dated 18 July 1940, S R and O 1940, No 1305

The Order is concerned not only with the elimination of strikes and lock-outs but also with the whole field of labour conditions. Therefore, in addition to providing for the setting up of the National Arbitration Tribunal the Order contains provisions for the observance of trade union terms and conditions of employment, for the registration of departures from working rules and practices so that they may be restored after the war, for the continued use of existing voluntary joint machinery and for the establishment of supplementary machinery which could be used in case any large disputes were not directly settled through the voluntary arrangements. At the same time, the Order makes it obligatory for employers to observe terms and conditions of employment not less favourable than the recognised terms or conditions in any trade or industry in any district.

The National Arbitration Tribunal had, up to 12 August 1941, announced its decisions in 118 cases, and many disputes have been dealt with by other bodies. The normal processes of conciliation have been maintained and the compulsory powers of the Arbitration Tribunal have been kept wholly in the background. There have been only three cases of prosecution of workers for engaging in strikes, while in each case the men were found guilty, in two they were bound over (received suspended sentence), and in the third each striker was fined £5 with 3s costs. In summing up one of the cases, the Judge stated "So far as trade unionism is concerned, I do not suppose there is a man who is not a lunatic who does not regard trade unionism as a part, and a very necessary and essential part, of our Constitution today. It is one of the things that we are fighting for, our sons and our brothers, with all that we have and all that we hold." In passing sentence, he said. "This is the first or nearly the first prosecution of this kind, and partly for that reason I do not propose to inflict any penalty, but what you have done is to do more harm to the trade unionism that you love than you can possibly dream of."¹

The actual application of the Conditions of Employment and National Arbitration Order has been constantly before both the Minister of Labour and the representatives of employers and workers, and proposals have been made for some amendment and adaptation to changing conditions.² These include the establishment of a number of additional tribunals on a regional basis, to consist of an independent person as chairman, together with two other persons representative respectively of workpeople and employers, for the purpose of dealing with claims as to the enforcement of recognised

¹ The Recorder of London, Sir Gerald Dodson, at the Old Bailey on 7 July 1941.

² Sir WALTER CITRINE *op cit*, p 18.

terms and conditions, claims on behalf of organisations other than trade unions and other organisations, and claims in respect of purely local or district wages and conditions ¹

The consultative machinery has also been used in making changes in some of the statutory arrangements for the determination of wages. Discussions took place between the Minister of Labour and the Trades Union Congress towards the close of 1939 and at the beginning of 1940 concerning amendments to the Trade Boards Act and the Road Haulage Wages Act so as to adapt the machinery to wartime conditions. The Trade Boards and Road Haulage Wages (Emergency Provisions) Acts, which were passed in February 1940, made it possible to eliminate some of the delays in the procedure in regard to varying wages. An undertaking was given that this power would not be used without prior consultation of employers' organisations and trade unions and a provision of the amending Act itself required the Minister to consult the Road Haulage Central Wages Board, the employers' organisations and the trade unions concerned before making any changes in the Road Haulage Wages Act. Two similar Acts relating to agricultural wages were adopted in 1940 to raise the wages of agricultural workers and to enable wage changes to be made with less delay. In each case the amendments were made only after long negotiations between the agricultural unions and the Ministers of Labour and of Agriculture ²

Similar consultations took place in regard to the Fair Wages Clause which is included in Government contracts. The draft of the Clause was discussed at a special meeting of the Joint Con-

¹ Cf. TRADES UNION CONGRESS *op cit* Trade union meetings and meetings of the Joint Consultative Committee were held with a view to reaching an agreed statement on amendments, and a report on joint discussions was submitted to the Minister of Labour on 9 June 1941. The report informed the Minister that both the TUC and the British Employers' Confederation were agreed upon the amendments summarised in the text and on amendments providing that Counsel or solicitors should not be permitted to appear before an arbitration tribunal for the purpose of presenting and conducting a case for either of the parties to a dispute, that it should be made clear that the employers' side of a joint industrial council for a local service is covered by the Order, and that an award upon a claim for the enforcement of recognised terms and conditions shall be retrospective to the date upon which the employer was cognisant of the terms and conditions which the claims sought to enforce. The trade unions, in addition, suggested amendments limiting the discretion of the tribunal to make an unfavourable award in certain conditions and suggesting that the words "substantial proportions" should be interpreted with due regard to the state of organisation on both sides and the principles and practice of negotiations in the trade or industry concerned, and that the fact that the particular employer was not a party to the agreement or that the terms and conditions which it is sought to enforce are not laid down in one single agreement should not invalidate a claim for enforcement.

² Cf. JOHN PRICE *op cit*, pp 109-117, and *The Union and the War*, Part V, *Emergency Legislation*, Correspondence Course, published by Transport and General Workers' Union (Education Department)

sultative Committee with representatives of the Treasury and of other Government departments in order to ensure that the proposals should have the full backing of all groups¹

The Essential Work Orders, which have been drafted in consultation with representatives of the employers and workers affected and which up to 25 July were applied to 11,086 establishments employing 3,696,000 workers, also contain provisions concerning the determination of wages and working conditions. Before scheduling any undertaking under the Orders, the Minister of Labour must satisfy himself in regard to the terms and conditions of employment and welfare; and, after an undertaking has been scheduled, the employer is under obligation to pay wage rates that are in accord with those established by collective bargaining or arbitration. Finally, the Orders establish the significant principle of the guaranteed week for time workers and the guaranteed day for piece workers provided the worker is present and available for work.

The problem of securing a co-ordinated wage policy has been under constant discussion since the outbreak of war². Not until July 1941, however, was a White Paper issued dealing with the stabilisation of prices and wages. The White Paper summarises the factors involved in the monetary policy adopted by the Government in order to prevent inflation. The social injustice and economic dislocations caused by a continuous rise of prices as a result of the increasing scarcity of consumers' goods are the reasons for the Government's insistence on a policy of price stabilisation. The White Paper points out, however, that such a policy is jeopardised if the money income of the population is increasing while the supply of consumer goods is decreasing. "Increases in wages or other incomes would not make more goods available. It will therefore be necessary to bear in mind, particularly when dealing with general wage applications, that the policy of price stabilisation will be made impossible and increases of wage rates will defeat their own object unless such increases are regulated in a manner that makes it possible to keep prices and inflationary tendencies under control"³

¹ Cf. Sir Walter CITRINE *op cit*, p. 12

² TRADES UNION CONGRESS *Price Stabilisation and Industrial Policy*, Memorandum by the General Council arising from the interview with the Rt. Hon. Sir Kingsley Wood, M.P., and the Rt. Hon. Ernest Bevin, M.P., on Wednesday, 2 July 1941. In December 1939 statements were made by the then Chancellor of the Exchequer to the Joint Advisory Council of the Ministry of Labour in regard to the relationship between cost of living and wage increases. The suggestions made by the Government at that time were strongly objected to by the trade union movement.

³ *Statement by His Majesty's Government on Price Stabilisation and Industrial Policy*, July 1941 (H.M. Stationery Office), Cmd. 6294, pp. 1 and 4.

The policy stated in the White Paper had previously been discussed by the Chancellor of the Exchequer and the Minister of Labour and National Service with the General Council of the Trades Union Congress, and therefore took account of some of the suggestions made by the General Council. However, the Trades Union Congress, in the memorandum¹ issued on the White Paper, points out that "nowhere in the suggested statement is it made clear that provision would be made for comparatively low paid grades and categories of workers to have their earnings improved". The General Council of the Trades Union Congress maintains that inflation is best avoided by concentrating on control of profits and the cost of living, by rationing and by increased savings, rather than by interfering with the existing wage adjustment machinery. The White Paper itself pays a tribute to the attitude of the trade union movement in regard to wage rates during the war and to the machinery for joint negotiation, stating. "Since the outbreak of war, the existing joint voluntary machinery for wage negotiations has operated successfully. Increases in wage-rates have been reasonable, the authority of the unions in the day-to-day adjustment of wages and conditions has been maintained; the freedom of opportunity to make claims and to have them discussed has enabled industrial peace to be maintained. The policy of the Government, therefore, is to avoid modification of the machinery for wage negotiations and to continue to leave the various voluntary organisations and wage tribunals free to reach their decisions in accordance with their estimate of the relevant facts"²

The long-tested method of securing self-government of industry through the use of Joint Industrial Councils has been continued during the war, in particular, the use of Joint Industrial Councils has been applied to new trades as the war progresses. The first Joint Industrial Council for the Retail Food Trades was inaugurated in December 1940 and subsequently other Joint Councils were set up, including those concerned with the drapery, outfitting, and footwear trades, stationery and book-selling, news-agency, tobacco, and confectionery trades, hairdressing, and slaughter-houses. At the inaugural meeting of the Retail Food Trades Council, the Minister of Labour and National Service indicated that he would look to the Council for advice concerning wider labour questions, as well as for the regulating of wages, hours of work and conditions of employment.

The utility of the system of Joint Industrial Councils was emphasised by the Minister in a speech in the House of Commons in

¹ TRADES UNION CONGRESS *Price Stabilisation and Industrial Policy*, *op cit*

² Cmd 6294, *op cit*

which he asked "Is it not strange that, in the majority of industries which had highly developed Joint Industrial Councils, the modern industries in which these things had been introduced prior to the war, the industries which had all kinds of relations with the trade union movement arising out of the Whitley Committees, there should have been the least trouble since the war began both internally and in everything else?"¹

COLLABORATION IN PARTICULAR INDUSTRIES OR OCCUPATIONS

The wartime problems of particular trades and industries have given rise to a number of special schemes for securing collaboration of employers and workers, affecting either particular war problems of the industry or special employment questions or problems of war production and organisation of the industry as whole. A few examples of this kind of development are therefore included, but no attempt is made to indicate in any detail the practices of collaboration now in force in any of the various industries, nationally, regionally, and locally.

One of the first problems which was dealt with through tripartite collaboration, industry by industry, was that of the dilution of skilled labour. Discussions between the Government and the employers' and workers' organisations in the engineering industry led to various agreements to regulate the dilution of skilled labour in accordance with war requirements. Collaboration for the organisation of dilution has also been effective in a variety of other industries and trades—for example, printing, chemicals, flour-milling, the electrical trades, and transport.

In dealing with problems of labour supply, joint committees on a national and regional basis concerned with the specific difficulties of particular industries (such as, for example, engineering, ship-building and repairing, printing, and textiles) have met to discuss their problems, generally forwarding their recommendations to the Joint Committee or to the National Joint Advisory Council of the Ministry of Labour, or, as the case may be, to the local or area machinery of the Ministry of Labour. Such a committee, for example, has dealt with special schemes for the age of reservation of certain industries such as the coal-mining industry.

Dock Labour

A particularly interesting example of a special wartime scheme which made use, in the first instance, of the existing tripartite com-

¹ *Parliamentary Debates, House of Commons, Official Report*, Vol 370, No 45, 2 Apr 1941

mittees and joint councils is that concerning dock labour. In October 1939 an agreement was drawn up between the Ministry of Labour, the National Council of Port Labour Employers and the Transport and General Workers' Union, to provide machinery for the transfer of labour from one dock to another in case of emergency. A Central Transfer Committee was set up by the National Joint Industrial Council of Dock Labour to administer the plan. In the spring of 1940, after the reorganisation of the Government, four areas or regions were established, each one under a port labour inspector, and, in addition, inspectors were appointed in each of the principal ports. The Port Labour Inspectors were granted the powers of National Service Officers who, in accordance with the Defence (General) Regulations, have power to direct persons to perform services as required. Provisions concerning working conditions incorporated in the voluntary agreement remained in force. Employers are compelled to belong to a port registration scheme and to obtain their labour through this machinery.

In March 1941, in order to expedite the handling of ships' cargoes, a significant new plan was worked out between the Ministry of Labour and National Service and the Ministry of Transport for the transfer of dock workers and the establishment of priorities for allocating the men to essential work. All dock workers in the ports on Merseyside, including Preston and the Manchester Ship Canal, and Clydeside, including Glasgow and Greenock, were taken into the permanent employment of the Ministry of War Transport at a guaranteed weekly wage. Work is generally performed under the conditions laid down by existing collective agreements, but the dockers undertake certain obligations which have not hitherto been regarded as part of their normal work. They are required to be available for work at all reasonable times and to undertake any work (such as debris clearing) of which they are physically capable and which is essential to the rapid clearance of the port. The labour force of each of the two areas, Merseyside and Clydeside, is under the control of the Regional Port Director and his officers, who are assisted by the advice of the existing local joint committees of the industry, and whose powers have been increased to permit them to allocate the labour forces to "approved employers".

The extension of the permanent employment of dockers on a guaranteed weekly wage has been the subject of discussion between the Minister of Labour and National Service and the National Joint Council for Dock Labour. An Essential Work Order gives effect to the proposals of the National Joint Council for Dock Labour, which will form a company to be known as the National Dock

Labour Corporation, Ltd, to promote, finance and administer schemes for securing a regular, adequate and mobile labour force, covering the port of London and the principal ports on the British Channel, the Firth of Forth, the Humber, Tees, Tyne and Wear. The Chairman of the Corporation and a finance member will be appointed by the Minister of Labour, and there will be three representatives of employers and of workers respectively, appointed by the National Joint Council for Dock Labour. The Order will apply to permanent men though their employment will not be affected by the new arrangement, while other dockers selected for inclusion in the scheme will always be in permanent employment. The docker will be paid the appropriate rate for his job while at work, and as soon as his job ends he will automatically come into the employment of the corporation and be paid 5s for each of the 11 half-days on which he reports as required but is not allocated to work. He must be prepared to take any suitable work offered. He will receive a week's holiday with pay each year¹

The Coal Industry

Special measures have been taken by the Mines Department and the employers and workers to deal with production and employment in the coal industry. In April 1940, the Mines Department set up a Coal Production Council consisting of departmental representatives with three representatives respectively of the coalowners and of the mine workers. The representative members were, in fact, selected from the permanent Joint Standing Committee of the Coal Industry. The functions of the Coal Production Council were to increase coal exports, maintain home supplies and promote increased production. District Coal Production Committees were set up, composed jointly of owners and workers, and Pit Production Committees have been established at every pit. Both the district and pit committees are joint committees in which the officials do not participate. Local collaboration procedures have been used in order to determine the reservation position of coal-miners in connection with the Schedule of Reserved Occupations and Protected Work. After consultation with the Secretary for Mines and employers and workers in the industry, a system of special tribunals was established in each coal-mining area to fix

¹ Cf *The Times*, 15 Aug 1941. Essential Work (Dock Labour) Order. The ports in the Merseyside and Clydeside area, where the Minister of War Transport is now the employer, as described above, do not come under the Order.

the number of men under 30 who might be released for military service in each area. Each tribunal consisted of an independent chairman and two representatives of employers and two of workers.

While the Coal Production Council and its regional organisation is concerned entirely with questions of coal production, there is, in addition, a Joint Consultative Committee for the coal-mining industry which is charged with determining conditions of work in the industry. This Committee has been consulted at every stage, for example, in the framing and application to the coal industry of the application of the provisions of the Essential Work (General Provisions) Order. Provision is made in the Order itself for dealing with absenteeism, lateness, failure to comply with lawful directions and behaviour calculated to impede effective production. In these cases, it is stated, the National Service Officer will obtain the advice of the Pit Production Committee or District Production Committee, which are bodies representative of the management and workpeople for the purpose of dealing with all questions affecting production of coal. Provision is also made for consulting these Committees when questions arise as to services which a worker may be called upon to perform outside his usual occupation¹

Fisheries

The war has also brought interesting changes in the organisation of the fisheries industry. At the outbreak of war, the Herring Fishery Advisory Council and the White Fish Industry Joint Council were replaced for the period of the war by a Fisheries Advisory Council which also included trade union representation, the other members being representatives of the Admiralty, the Board of Trade and the Ministries of Labour, Agriculture and Food, and of the trawler and herring-boat owners²

THE EXTENSION OF COLLABORATION IN THE SOCIAL FIELD

A number of measures concerning social problems which are more or less indirectly related to the war were already under consideration when the war broke out and were enacted during the

¹ The Essential Work (Coal-mining Industry) Order, 1941, dated 15 May 1941, S R and O 1941, No 707 *Ministry of Labour Gazette*, May 1941, p 95

² Cf John PRICE *op cit*, for details as to the suspension of the earlier Councils, and the establishment at the urgent instigation of the trade unions of the Fisheries Advisory Council

war after discussion with representative groups. A few examples are given to illustrate the fact that tripartite collaboration has continued in the social field during the war.

Immediately after the outbreak of war, Acts were passed concerning such questions as social insurance, education, health, pensions and workmen's compensation. The law relating to national health insurance and to widows', orphans' and old-age pensions was amended for the period of emergency to provide that insured persons should retain their rights if they joined the armed forces or took up war work and that benefits or pensions should be paid even if records were destroyed.¹ An amending Act empowered the Minister of Labour to adapt the unemployment insurance scheme to wartime conditions by modifying or suspending any of the provisions of the Unemployment Insurance Act, while the Unemployment Assistance Act was amended to give the Minister similar powers in relation to unemployment assistance provisions and to extend the scheme to persons outside the scope of the Act who were in distress as a result of evacuation, enemy action, or other circumstance arising out of the war.² Regulations issued to give effect to all these Acts were discussed with the Trades Union Congress.

Further social legislation was enacted immediately after the new Government came into power in May 1940. The first measure proposed by the new Minister of Labour was one providing superannuation rights for workers other than public employees. This measure was one of the first to come before the representative National Joint Advisory Council and to receive its approval.³ A further Act amending the Unemployment Insurance Act was adopted in July 1940 extending the coverage of insurance to non-manual workers earning up to £420 per annum (the previous limit having been £250), and increasing the rates of benefit to meet the rise in the cost of living⁴; this measure had been recommended by the Unemployment Insurance Statutory Committee, which is a representative body. A Workmen's Compensation Act was passed in August 1940 providing for additional allowances for disabled workers together with increased payments for the children of male

¹ National Health Insurance and Contributory Pensions (Emergency Provisions) Act, 1939, assented to 3 Sept 1939, 2 and 3 Geo VI, ch 84.

² Unemployment Insurance (Emergency Powers) Act, 1939, assented to 5 Sept 1939, and Unemployment Assistance (Emergency Powers) Act, 1939, assented to 5 Sept 1939.

³ Superannuation Schemes (War Service) Act, 1940, assented to 13 June 1940.

⁴ Unemployment Insurance Act, 1940, assented to 25 July 1940, 3 and 4 Geo VI, ch 44.

workers¹ A Bill on this subject had been introduced in the early stages of the war but had been dropped owing to labour opposition The Act was finally passed as a result of long consultations with the trade unions and the employers

The Determination of Needs Act, which was adopted on 26 March 1941 and given effect by a series of regulations made in April 1941, abolished most of the provisions of the household means test and substituted a test based on personal needs, an amendment which had been sought for many years by the trade union movement²

COLLABORATION IN PLANNING FOR POST-WAR RECONSTRUCTION

Despite the many and urgent problems of war planning, governmental machinery has already been set in motion for planning for post-war reconstruction, this machinery has been supplemented by the activities of occupational organisations and of other groups

Responsibility for post-war reconstruction planning has been divided, a member of the War Cabinet (the Minister without Portfolio) having been put in charge of a Cabinet Committee to study reconstruction policy in general, and, within this general framework, the Minister of Works and Buildings having been made responsible for long-term planning policy in the sphere of physical reconstruction The Minister without Portfolio collaborates with the Minister of Works and Buildings on problems of material reconstruction and partly through the use of outside agencies emphasises the broader problems of social reconstruction

The Ministry of Works and Buildings was established in October 1940 to incorporate the Office of Works and to be responsible for all new civil works and buildings, for deciding priority of repairs, and for planning future material reconstruction The Ministry adopted a regional method of organisation, and has co-operated closely with various other Departments and local authorities engaged on current work The new and intimate association of various Departments on a regional basis may have far-reaching consequences both in planning for wartime productive capacity and in indicating methods for re-planning industries in time of peace

¹ Workmen's Compensation (Supplementary Allowances) Act, 1940, assented to 8 Aug 1940, 3 and 4 Geo VI, ch 47

² For a survey of the social legislation enacted during the war, cf John PRICE *op cit*, and Transport and General Workers Union (Education Department) Correspondence Course, *The Union and the War*, Part V, *Emergency Legislation, op cit*

In its initial phases, the research and planning for reconstruction, both in its broader aspects of general policy and in its more limited sphere of physical reconstruction, does not seem to have drawn directly upon the trade union movement or the employers' organisations. However, two representatives of the Trades Union Congress have been appointed to serve on the Reconstruction Panel set up by the Ministry of Works and Buildings, while more recently, on the nomination of the General Council, a representative has been asked to serve on the Minister of Health's Committee on Social Service Reconstruction. Further, the Trades Union Congress and the Labour Party have been giving attention to problems of post-war planning. After a preliminary survey, the Economic Committee of the Trades Union Congress decided that "Attention should be directed primarily to those problems of post-war reconstruction in which the trade union movement is by reason of its purpose most directly concerned." The General Secretary of the Trades Union Congress has explained this statement, adding "We shall, of course, consider no less carefully all aspects of reconstruction, but plan to take them as they arise out of the problems that concern us as trade unionists more directly" ¹

* * *

The evolution of tripartite collaboration in Great Britain during the war has been of special interest because of the strength which its extension has imparted to the entire national structure at a time of unprecedented emergency. Machinery has now been provided which makes it possible to take advantage of the practical experience of the organised employers and workers of the country on a national, regional and local basis. The test of the machinery, of course, lies in its utilisation, but the progress which has been recorded to date leaves no doubt that the use of democratic procedures and practices has strengthened the machinery of Government and implemented throughout the nation the decisions of Parliament and the executive. The experience gained will be of immense value when the time comes to rebuild the social and economic structure of the nation for peace, agencies and procedures that have proved their worth as means of strengthening the country in its gigantic war effort will have their place in its permanent democratic institutions.

¹ Sir Walter CITRINE *op cit*, p 17

CHAPTER II

AUSTRALIA

Consultations between industrial organisations and Government authorities in Australia had been a common practice long before the outbreak of war, and the conciliation and arbitration system has been considered to be one of the most promising methods of settling industrial disputes, and as such has been carefully studied all over the world. The war has led to modifications in the structure of collaboration, but the principle of tripartite co-operation on important national questions has been extended and strengthened during the period of hostilities.

The extension of collaboration has, however, been affected both by the constitutional division of powers in the Federation and the internal divisions in the political Labour Party and the trade union movement. The Labour Movement, although supporting the war effort, has not so far permitted its leaders to join a National Government.¹

Moreover, as in the other countries of the British Commonwealth of Nations, the tempo at which the Australian war economy has developed was influenced decisively by the general course of the war. The stages of development are approximately as follows: first, the gradual change-over from peace conditions (roughly up to May 1940), then, with the fall of France, an intensive production drive, including efforts towards fuller and more satisfactory collaboration, and finally, towards the end of 1940 and on into 1941, the gradual use, as circumstances required, of the powers of the Government to mobilise the human and material resources of the country for war purposes. Machinery for post-war planning, which is now being set into motion, includes a limited amount of labour representation.

COLLABORATION IN THE CENTRAL ADMINISTRATIVE MACHINERY

During the first months of war, few emergency measures were required either to extend governmental authority or to provide for

¹ Cf. Ronald WALKER "Labour Problems in Australia", in *International Labour Review*, Vol XLIV, No 4, Oct 1941

further participation of industrial groups in the governmental structure. The most important emergency measures were the National Security Act¹, adopted in September 1939 Regulations issued thereunder², and the Supply and Development Act³, which provided for the establishment of a Department of Supply and Development, responsible for the industrial war effort as a whole, including (until June 1940) the supply and manufacture of arms.

General control of industry was obtained through the National Security (General) Regulations, which authorised the requisition or control of any property or the disposal or use of any property, goods, articles, or things of any kind. The Regulations authorised any Minister, "if it appears to him to be necessary for the defence of the Commonwealth or for the efficient prosecution of the war, or for maintaining supplies and services essential to the life of the community", to determine prices, to regulate the carrying on of any undertaking engaged in essential work, or to take over the whole or part of any industry. Little use was made of these extensive powers during the first phase of the war, however, although negotiations for better organisation of industry were begun, and no power was given to the Government to control the man-power of the country.

The intensification of the war in the summer of 1940 brought a change in the structure of the Government to secure an increased war effort. Various new emergency measures were brought into force, increasing the powers of the Government, and, in order to intensify the production drive, a Department of Munitions, separate from the Department of Supply and Development, was established. At the same time, efforts were made to distribute responsibilities

¹ The National Security Act, 1939 (No 15 of 1939), assented to 9 Sept 1939, provides "Sec 5, (1) Subject to this section, the Governor-General may make regulations for securing the public safety and the defence of the Commonwealth, and the territories of the Commonwealth, and in particular—(a) (b) for authorising—(i) the taking of possession or control, on behalf of the Commonwealth, of any property or undertaking, or (ii) the acquisition, on behalf of the Commonwealth, of any property other than land in Australia, (c) (d) for prescribing the conditions (including the times, places, and prices) of the disposal or use of any property, goods, articles, or things of any kind . . . and for prescribing all matters which, by this Act, are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for the more effectual prosecution of the present war, or for carrying out or giving effect to this Act."

Additional powers, as will be seen below, were added in the amending Act of 21 June 1940.

² National Security (General) Regulations, Statutory Rules, 1939, No 87, 13 Sept. 1939—Regulation 59. Increased powers granted in June 1940 were embodied in an amendment to Regulation 59 of these Regulations.

³ The Supply and Development Act, 1939 (No 6 of 1939), assented to 17 June 1939, The Supply and Development Act, 1939 (Number 2) (No 40 of 1939), assented to 26 Sept 1939.

for war organisation more widely and to associate the Labour Party and the trade unions more closely in the formulation and application of the Government's policies. Labour representatives sit on the State area boards of management set up by the Department of Munitions, and on the advisory committees on price control established in each State in connection with the Commonwealth Prices Commission.

More important developments were, however, foreshadowed when the Federal Labour Party, at a meeting of its governing body, the Federal Labour Conference (which consists of representatives of each of the States), adopted in June 1940 a series of resolutions which urged mobilisation of all the resources of the country and, while maintaining the Party's refusal to join in a coalition Government, proposed the establishment of a National War Council "including representatives of labour to advise the Government in respect of the conduct of the war, and in preparing for post-war reconstruction" ¹

¹ Commonwealth of Australia *Parliamentary Debates*, Fifteenth Parliament, Second Session, 1940, No 10, p 75. The full text of the resolutions reads as follows:

Having regard to the gravity of the world situation and the imminent danger to the Commonwealth of Australia, the Empire, and the Allies, this conference of the Australian Labour Party definitely declares as its policy:

- (1) Complete and indissoluble union with the Allies in the war,
- (2) The entire resources of Australia (which include all productive and financial organisations) to be under the control of the Commonwealth Government for national service in the urgent and adequate defence of Australia and the prosecution of the war,
- (3) That, to secure maximum productive effort, all idle employable labour be absorbed into industry,
- (4) Speeding up of our war and other services on a planned scale, aiming at the highest efficiency and the most economic use of the resources at our command,
- (5) National training for defence, in terms of the existing Defence Act, to be maintained on the highest basis of efficiency, and provision for an adequate system of physical training throughout Australia, complete participation in the Empire Air Force scheme, necessary provision for reinforcement of the Australian Imperial Force divisions, the extent of European participation by volunteer army to be determined by circumstances as they arise, having regard to the paramount necessity of Australia's defence,
- (6) Full recognition of trade unions, safeguarding industrial standards, and the participation by labour organisations in the successful organisation of the nation,
- (7) An excess war profits tax of 100 per cent.

This conference is firmly convinced that Australia can be united on these principles, and calls to Australians to stand together in resisting aggression from any source, to bear willingly any burden that may be imposed in the interests of Australia's security, and to demonstrate to the Empire and its Allies that we shall not be found wanting in the struggle for human liberty.

In order to implement effectively the policy agreed upon by the conference, and to achieve and maintain the maximum of national unity, and to ensure the preservation of the utmost degree of civil liberty consistent with the conduct of the war, this conference declares —

Immediately after this meeting, a debate took place in Parliament concerning the additional powers requested by the Government. In the course of the debate, various proposals were put forward to bring the labour movement as a whole more fully into the determination and execution of war policies. Some of the Labour members of Parliament wished to limit the new powers requested by the Government in order to safeguard existing labour standards, and proposed the addition to the Government Bill of the clause "provided further, that in relation to industrial standards, variations thereof will not be made without prior consultation with the trades union of the craft or industry affected by the proposed variation". There was no disagreement as to the value of consultation and co-operation, but the Prime Minister refused to accept any limitations, either as to the methods of consultation—with individual trade unions rather than with groups or panels—or as to the time—"prior consultation"—or as to the power to issue whatever amending regulations might be considered necessary for the practical carrying on of the war. The Labour amendment was defeated, and on 21 June the National Security Act of 1940 was adopted, granting full authority to the Government to utilise the entire man-power and material resources of the country in the prosecution of the war.¹

Trade Union Advisory Panel

In July 1940, a Trade Union Advisory Panel was established to consider all matters affecting conditions of employment and especially any proposed departures from existing industrial practices. The origin of this Panel was a proposal, supported by the emergency committee of the Australian Council of Trade Unions and adopted by a conference of federal unions convened by the Council, for the setting up of separate panels in nine groups of industries, and a

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- (a) That Parliament should be regularly consulted,
 - (b) That the Labour Party should maintain its integral identity in the people's interests,
 - (c) That a national war council, including representatives of labour, should be established to advise the Government in respect of the conduct of the war and in preparing for the post-war reconstruction"

¹ National Security Act, 1940 (No 44 of 1940), assented to 21 June 1940. The additional powers are found in Section 13A which states "Notwithstanding anything contained in this Act, the Governor-General may make such regulations making provision for requiring persons to place themselves, their services, and their property at the disposal of the Commonwealth, as appear to him to be necessary or expedient for securing the public safety, the defence of the Commonwealth and the Territories of the Commonwealth, or the efficient prosecution of any war in which His Majesty is or may be engaged

Provided that nothing in this section shall authorise the imposition of any form of compulsory service beyond the limits of Australia"

major panel consisting of a representative of each subsidiary panel and of the president, vice-presidents and secretary of the Council. This proposal was, however, rejected by a number of unions and in particular by the Australian Workers' Union, which is not affiliated to the Council, mainly on the ground that the position accorded to the Australian Council of Trade Unions was too prominent. The Commonwealth Government, therefore, decided to set up a Trades Union Advisory Panel composed of representatives of seven "key" unions¹, and invited the Council to nominate two further representatives. This the Council refused to do, repudiating the Panel, and one of the unions also withdrew, thus reducing the membership to six. One of the first results of the Panel's work was the recommendation, accepted by the Government, that the regulations under the Transport Workers' Act imposing a licensing system for waterside workers should be suspended. In June 1941 proposals were made by the Prime Minister that the Trade Union Advisory Panel should be made more representative.²

National Advisory War Council

Owing to difficulties in securing a working arrangement between the leaders of the various parties, a general election was held on 21 September 1940. As a result of the election, the Government forces were, after the choice of the Speaker, exactly equal to the combined Labour representation. Since the Labour Parties continued to maintain their opposition to a coalition Government, new machinery was established which gave to the Labour representatives a greater share of responsibility, while at the same time respecting their wish to remain an active opposition party. This machinery took the form of an Advisory War Council, as proposed by the Labour Party. It was set up on 28 October 1940 by regulations issued under the National Security Act, the membership was originally four Government representatives and four opposition representatives, but subsequently the total number was raised to ten.³ The Council inter-

¹ The unions were Australian Workers' Union, Maritime Transport Council, Road Transport Union, Amalgamated Engineering Union, Textile Workers' Union, Federated Engine Drivers' and Firemen's Association, and Arms, Explosives and Munition Workers' Union (the latter subsequently withdrew).

² Cf. WALKER, *loc cit*.

³ National Security (Australian Advisory War Council) Regulations, Statutory Rules, 1940, No. 235, 28 October 1940. The regulations provide that the members of the War Council hold office during the pleasure of the Governor-General. The Prime Minister is the Chairman of the Council, the Senior Minister of State acting as Chairman in his absence. The Secretary of the Council is the Secretary of the War Cabinet.

vened successfully in the crisis over the 1940-1941 budget, and it was decided that "in future, questions appropriate for discussion by the Council will, whenever practicable, be brought before it before being raised in Parliament"¹

Administrative Reorganisation

In October 1940, a Department of Labour and National Service was established, the Minister being made a member of the War Cabinet², this development has made possible a greater centralisation of responsibility for labour and social problems and has indirectly served to facilitate the actual practice of collaboration with the Government

In June 1941, still further changes were made, after the return of the Prime Minister from his visit to Great Britain and various other parts of the British Commonwealth of Nations. The changes were designed both to expedite production and to bring the Labour opposition more fully into the executive responsibilities of the central Government. Five new departments of State were established: Aircraft Production, Transport, War Organisation of Industry, Home Security, and External Territories³. The Cabinet has been divided into two major committees, entitled the War Cabinet and the Economic Industrial Committee, each with power to make binding decisions in its respective sphere. Further, a series of all-party Parliamentary Committees has been set up to deal with special subjects (including a Committee on Man-power and Resources)

Man-Power Priority Board

Another recent development of collaboration is the establishment in July 1941 of a Man-Power Priority Board, with extensive advisory powers in regard to reserved occupations and the adjustment of the competing demands of the fighting forces, the war industries and civil employment. The Board is composed of representatives of the various service departments and of employers and trade unions⁴

¹ Cf WALKER, *loc cit*

² Order in Council No 218, issued on 28 October 1940

³ *Commonwealth of Australia Gazette*, No 125, 26 June 1941

⁴ Cf WALKER, *loc cit*

Advisory Industrial Council

An additional step was taken in July 1941 for securing integrated collaboration between employers and workers in the organisation of industry in Australia. The Minister of Labour and National Service conferred with employers' representatives on the formation of an employers' panel which would meet with the Trade Union Advisory Panel as an Advisory Industrial Council. In defining the functions of the proposed Council, the Minister said "Many novel matters of principle and policy arise in wartime affecting industry. Before putting into effect regulations or submitting legislation on these matters, it is to the advantage of the Government to have a representative cross-section of views from those likely to be affected. Problems of that type, which we had in the past, are likely to grow in number and intensity as the reorganisation of industry for war proceeds, and it is thought that an Advisory Industrial Council will not only greatly assist the Government but will act as a shock absorber of any radical or abnormal industrial innovations"¹

COLLABORATION IN DETERMINING CONDITIONS OF EMPLOYMENT

The practice of industrial conciliation and arbitration and the procedure of the Commonwealth Court of Conciliation and Arbitration in Australia had been so developed in peace-time that the system had long been used as an example of industrial relations in other parts of the world. Adaptations of this machinery to meet wartime needs are therefore of particular interest. The framing of a proposal for the adjustment of the arbitration machinery was one of the first tasks undertaken by the representative Advisory War Council. The procedure followed indicates how the various parts of the machinery for industrial consultation in Australia have operated in dealing with a major industrial wartime issue—the avoidance of industrial conflict.

After a full discussion of the Government's suggestions for the modification of the conciliation and arbitration machinery, a joint statement, which had been unanimously adopted by the Advisory War Council, was issued in October 1940 by the Prime Minister and the leaders of the Labour Parties. The statement read

In view of the stoppages of work that have been occurring in industries of vital importance to the Commonwealth's war effort, the following principles are affirmed

¹*The Herald*, Melbourne, 7 July 1941

- (1) That the machinery for the adjudication of industrial disputes should be made adequate for the prompt consideration of grievances and their settlement
- (2) That the provision of such readily accessible machinery will give the necessary assurances to workers that their grievances will be dealt with fairly and expeditiously and consequently stoppages in industry cannot be justified, as they are helpful to the enemy and a grave hindrance to the industrial part of Australia's war effort. The result may be that any delay in our preparations may gravely imperil the security of the Commonwealth.

The changes in the arbitration and conciliation machinery necessary to meet this situation are to be further considered by the Council¹

This statement was then submitted to the Premiers of each of the States, to the Australian Council of Trade Unions, the Trade Union Advisory Panel, the Labour Councils in each State, the Chambers of Commerce, and the Manufacturers' and Employers' Federations. After these consultations, the Minister of Labour and National Service drew up an interim report, and submitted proposals, based on these discussions, to the Advisory War Council.

Only after thorough discussion, both with the Trade Union Advisory Panel and with the Advisory War Council, of the Government proposals for submission to Parliament were any measures drafted in the form of regulations. On 22 November 1940, the Prime Minister reported to the House of Representatives on the discussions that had taken place and on the proposals that had been agreed upon. He stated that, while it was agreed that the Commonwealth Court of Conciliation and Arbitration must be preserved as the centre of the arbitration system, more extensive and flexible methods of operation must be found in order to permit prompt intervention in any dispute or difference, however small, the growth of which might aggravate or impair the war effort. Consequently, the proposals which had been agreed upon were

- (1) There should be three more Conciliation Commissioners, the Advisory War Council to be consulted before the additional appointments were made.

- (2) The Conciliation Commissioners should be linked with the Arbitration Court and placed under the general jurisdiction of the Judges.

- (3) The prime duty of each Conciliation Commissioner should be prompt investigation of disputes on the spot. The committee method should be used, but, instead of the cumbersome system of Standing Committees in various industries, the Conciliation Commissioner should, in consultation with employers and trade union

¹*The Age*, Melbourne, 31 October 1940

representatives, constitute an *ad hoc* committee to assist him in any particular investigation. The Commissioner should be a conciliator who would report promptly to a Judge of the Court as to the nature of the dispute, and if the Judge was of opinion that the matter of dispute was purely local, or for some other reason suitable for determination by the Commissioner, he should empower the Commissioner to arbitrate. If not, he should refer the matter into Court for adjudication.

(4) There should be extensive reforms of procedure for the duration of the war. These procedural reforms included the extension of the authority of the Commonwealth Court to include Government regulations affecting industrial conditions, the extension of jurisdiction to empower boards of reference to investigate any industrial matters, whether or not they arise from an award of the Court, the grant of power to the Minister of Labour and National Service to institute Court proceedings in any matter that he considered likely to lead to a strike or stoppage of work; better arrangements between the State tribunals and the Court; and, finally, endeavour on the part of the Commonwealth Court to make more thorough use of representative assessors of employers and workers.

On 16 December 1940, provisions for averting industrial strife during the war, incorporating the Government's proposals, were issued in the form of Regulations under the National Security Act¹, providing for the amendment of the Commonwealth Conciliation and Arbitration Act. The most far-reaching amendment is that which brings all industrial disputes within the competence of the Commonwealth Conciliation and Arbitration Court. Previously its jurisdiction had been restricted to disputes extending beyond the limits of any one State. Under the amending Regulations, the Court is competent to regulate hours of work, wages and other conditions of work throughout the country by adjusting disputes which formerly came solely within the jurisdiction of State courts or boards. Further, the new Regulations empower the Arbitration Court to declare that any particular rule, regulation, custom, term of agreement or condition of employment determined by an award in relation to any industrial matter shall become "a common rule" applicable to any industry in which the dispute has arisen, or to a portion of that industry, or to any group of industries of which that industry is one. The Court may also make industry awards, regulating in whole or in part the conditions of employment in the industry.

¹ National Security (Industrial Peace) Regulations, 'Statutory Rules, 1940, No. 290, 16 Dec 1940

in which the dispute has arisen, and any such awards need not be limited solely to the matters in dispute

A further amendment, issued on 10 February 1941, authorises the Governor-General to appoint any person to be a Conciliation Officer, and to grant such officers the same powers, duties and functions as a Conciliation Commissioner ¹

In June 1941, the Government indicated its intention to introduce legislation to amend further the Commonwealth Conciliation and Arbitration Act. The proposed amendment would empower Commonwealth industrial tribunals to exercise unfettered jurisdiction to grant preference to unionists in cases in which that matter is raised as an issue ². Additional provisions will safeguard the principle of preference to returned soldiers. Another section will prescribe penalties for strikes and lock-outs. The Labour members are expected to resist inclusion in the Bill of any provision to penalise strikes and strikers ³

COLLABORATION IN PARTICULAR INDUSTRIES

In addition to changes made in the general structure of the arbitration machinery, a number of measures have been adopted applying the principle of tripartite collaboration to the settlement of disputes or the determination of working conditions in particular industries

Coal Mining Industry

On 10 February 1941, regulations were issued under the National Security Act providing for the appointment of a Central Reference Board for the prevention or settlement of any industrial dispute in the coal-mining industry. The Board consists of a Special Representative of employers and workers respectively and a number of other representatives of employers and workers, together with a chairman, who is to be a Judge of the Commonwealth Court of Conciliation and Arbitration. The representatives of employers and workers are to be nominated by their respective groups in a manner approved by the Minister. The jurisdiction of the Central Reference Board

¹ National Security (Industrial Peace) Regulations, Statutory Rules, 1941, No. 26, 10 Feb. 1941

² *The Argus*, 19 June 1941. The Court already possesses some authority to grant preference but the definition of its power has been given a narrow interpretation by the High Court

³ *The Argus*, *loc. cit.*

covers any industrial dispute between an organisation of workers on the one hand and employers or associations of employers on the other, which may be referred to it either by the persons or organisations concerned or by the Minister. The Board is also competent to deal with all matters arising under any existing award of the Court affecting the coal-mining industry, or any industrial dispute referred to it by a local reference board or any other matter of industrial relations which the Chairman of the Board declares to affect the public interest. Constituted on 18 February 1941, the Board consists of a Judge of the Commonwealth Court, a Special Representative of employers, a Special Representative of the workers, and four other representatives of the employers and workers respectively.¹ Local reference boards are set up on the recommendation of the Chairman of the Central Reference Board and consist of a chairman and other members representative of employers and workers, appointed by the Governor-General. Local reference boards have been set up in various districts.

In June 1941, the Prime Minister told a deputation of miners' leaders that the Government intended to reconstruct the existing Coal Control Board in order to provide for a smaller central body with two sub-committees, one concerned with the production of coal and the other with the marketing, distribution and price of coal. This reconstructed board, however, would not affect the functioning of the Coal Reference Boards for the settlement of industrial disputes.²

Shipbuilding Industry

On 7 March 1941, a Shipbuilding Board was set up as part of the Department of Munitions. The Board's membership is tripartite and its functions will be to advise on the capacity of the industry to construct merchant ships of various types, to control merchant ship-building, and to make arrangements or to enter into agreements for the building of merchant ships and the supply of boilers, engines, and other equipment.³

¹ National Security (Coal-mining Industry Employment) Regulations, Statutory Rules 1941, No 25, issued 10 Feb 1941. National Security (Coal-mining Industry Employment) Regulations (appointment of a Central Reference Board), *Commonwealth of Australia Gazette*, No 30, 18 Feb 1941. National Security (Coal-mining Industry Employment) Regulations, (establishment of Local Reference Boards), *Commonwealth of Australia Gazette*, No 32, 20 Feb 1941.

² *Sydney Morning Herald*, 21 June 1941.

³ *Sydney Morning Herald*, 7 March 1941.

Dilution Agreements in Certain Trades

The problem of ensuring an adequate labour supply in the skilled trades came to the fore early in the war. After lengthy negotiations between the Commonwealth Government and the employers and workers concerned, an agreement was reached, in May 1940, providing for dilution of skilled labour in the engineering trades.¹ The administration of the dilution scheme is in the hands of a Central Committee, made up of a representative of the Commonwealth Government and equal numbers of representatives of the employers and workers affected. The Central Committee is assisted in each State by similarly constituted local committees which deal with the detailed problems of dilution and any special difficulties which may arise in the various States.

Later in the year, shortages of skilled tradesmen in the boiler-making and blacksmith trades led to the conclusion of a generally similar dilution agreement in those trades, likewise administered by representative Central Committees, with the assistance of local committees.²

In March 1941, a conference of parties interested in the engineering trades and munitions industries was called, under the Chairmanship of the Minister of Labour and National Service, in order to make suggestions concerning marginal rates of pay and the proper authority to determine these rates. The conference was attended by representatives of unions and employers, members of the Trade Union Advisory Panel, and officials of the Department of Muni-

¹ On 21 June 1940, an arrangement was made under Regulation 59A of the National Security (General) Regulations, providing for the issuance of the Memorandum of Agreement concerning dilution which had been reached previously, on 8 May 1940, between the Government, the Amalgamated Engineering Union, and the Employers' Association. The arrangement was published in the *Commonwealth of Australia Gazette*, No 128, 8 July 1940. On 14 May 1941, the agreement was supplemented by the issuance, by the Minister of Labour and National Service, of the National Security (Engineering Trades Dilution) Regulations, which give effect to the principles incorporated in the agreement.

² This agreement, which was an arrangement under Regulation 2 of the National Security (Employment) Regulations, was issued by the Minister of State for Munitions. On 14 May 1941, the agreement was replaced by the National Security (Blacksmithing Trades Dilution) Regulations, and the National Security (Boilermaking Trades Dilution) Regulations. In both instances the local representative committees, under the direction and control of the Central Committees, deal with such questions as the disposal of the men trained or in training, the selection of industrial establishments to act as training centres, the determination as to the allotment of tradesmen to various workshops, the recommendation of the persons to be registered, the general supervision over the theoretical and practical training, and the assessment of the degree of efficiency of those in training.

tions Subjects discussed included the National Security (Employment) Regulations and their effect on the movement of skilled labour, the operation of the dilution agreements, and the many difficulties that have arisen in fixing marginal rates.¹

Finally, conferences between representatives of the employers and trade unions concerned have been held to discuss questions connected with the dilution of skilled labour in the sheet metal, electrical and moulding trades It is expected that any schemes that may be introduced will be administered by representatives of employers and workers affected, along the lines of the schemes already in force in the engineering, boilermaking, and blacksmith trades.

COLLABORATION IN PLANNING FOR POST-WAR RECONSTRUCTION

The establishment in the Department of Labour and National Service of a Division of Reconstruction, under the direction of a prominent member of the Federal Labour Party, marked a further effort towards national unity in planning for the future A discussion in the House of Representatives in December 1940 had indicated a strong desire for an independent ministry charged with planning for the reabsorption into civil life of returned soldiers and discharged munitions workers This same demand had already been indicated in the Labour Party resolutions, cited above, of the previous June At a meeting with the State Premiers early in February 1941, the Commonwealth Minister of Labour and National Service discussed their common responsibilities and outlined a number of measures already envisaged He indicated that the Repatriation Commission had begun dealing with individual men discharged, that the child endowment scheme then under consideration in Parliament would form part of the reconstruction programme², that the reconstruction division of his department would study wartime industrial developments, changes in export markets, re-employment policy, and national and international migration and settlement services; and that the Commonwealth Government was considering the appointment of a co-ordinating committee.

Soon after these discussions, an Inter-departmental Advisory Committee on Reconstruction was appointed by the Minister of Labour and National Service, to serve under his own chairmanship

¹ *Sydney Morning Herald*, 18 March 1941

² The Child Endowment Act was passed by the Commonwealth Parliament and assented to 7 Apr 1941 Endowment at the rate of 5 shillings per week will be paid for all children under the age of 16 years, in excess of one child in each family, irrespective of the parents' income

or, in his absence, under the head of the Division of Reconstruction The Committee consists of departmental representatives Although the Labour Party is represented inasmuch as the Administrator of the Reconstruction Division is a prominent member of the Party, there is no direct representation in the new body either of the Trade Union Advisory Panel or of the trade unions or employers' associations themselves ¹

* * *

Australia, like Great Britain, entered the war relatively well-equipped with collaboration machinery The war has brought extensions of this machinery, but the Federal form of government, the political situation and the divisions in the labour and trade union movement have not been favourable to a development of collaboration comparable to that of Great Britain Nevertheless the importance of pulling together is recognised The Secretary of the Australian Council of Trade Unions has declared in relating collaboration to the war effort: "I would suggest that if the Commonwealth Government desires to command the utmost possible co-operation of the trade union movement, it should immediately follow the example of the British Government by appointing representatives of the trade union movement on every board or tribunal set up in connection with the war effort" ²

¹ Cf *Sydney Morning Herald*, 26 Dec 1940, 3 Feb 1941, 12 and 13 March 1941

² C CROFTS *The Responsibilities of Trade Unions and their Leaders* (Broadcast reprinted in *The Labor Call*, Melbourne, 22 May 1941)

CHAPTER III

CANADA

"If ever there was a time when labour and industry should work together in their own interests and for the preservation of this nation, that time is now", declared the Canadian Minister of Labour in January 1941. This has been a guiding principle in the adaptation of the Canadian economy to war conditions ever since the outbreak of hostilities, and the war has been marked by continuous efforts to translate the principle of collaboration into actual practice throughout the country's industrial structure. Progress towards this objective, however, has not for a number of reasons been as rapid in Canada as it has been in Great Britain. The federal structure of the Dominion Government and divisions within the ranks both of employers and of workers are two of the major factors which have retarded the extension of effective tripartite collaboration.

The very existence of four competing labour organisations—the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the Confederation of Catholic Workers of Canada, and the Canadian Federation of Labour—has made difficult the choice of workers' representatives to advise the various governmental bodies and the achievement of unified trade union leadership in the war effort. At the same time, there has been no accepted employers' association which has been authorised to speak for management generally on problems of production and labour relations or which can assume responsibility for assuring employers' compliance with any agreed policy.

The manifold difficulties in the social and labour field which have arisen from the division of responsibility between Dominion and Provincial authorities were clearly delineated in the foreword to a study prepared for the Royal Commission on Dominion-Provincial Relations¹

¹ Cf. A. C. GRAUER *Labour Legislation*, Ottawa, 1939, pp. 1 and 11 (Editorial Foreword), also *Report of the Royal Commission on Dominion-Provincial Relations*, Book I, *Canada 1867—1939*, Book II, *Recommendations*, Book III, *Documentation*. Descriptions of particular interest are found in Book I, pp. 109-111, Book II, pp. 45-49, Appendix 7, *Difficulties of Divided Jurisdiction*, by J. H. CORRY.

Except in certain limited fields such as inter-provincial and foreign trade, and Dominion Government employees (the report stated), jurisdiction is reserved to the provinces. When this allocation of jurisdiction was made at Confederation conditions were, of course, very different from those prevailing to-day, and it was only as industrialisation developed, and brought with it new social problems and new economic vulnerability that certain weaknesses in the original jurisdictional plan became evident. The wide variations in Canadian standards are shown to have frequently penalised both labour and business, and to have caused regional friction and unnecessary loss. Perhaps more important the apparent impossibility of securing united national action, even when no significant differences of opinion or of prevailing standards exist, has prevented our dealing effectively with the labour and related social problems which are of outstanding importance today.

War needs have emphasised the difficulties of varying jurisdictions over labour standards, labour supply, and industrial disputes. Divergencies in social legislation have added to the complexity of determining labour provisions in war contracts, and have sometimes brought into relief a conflict between local demands and national need. Moreover, it is partly because of divided governmental responsibilities that Canadian efforts to establish a single joint body with the broad competence of the British National Joint Advisory Council (or the Joint Consultative Committee) have been less successful than those of Great Britain. The centralisation in a single ministry of responsibility for the labour aspects of war production has not as yet been attempted in Canada, either by the Dominion or by any of the Provincial Governments, and workers' representatives have been called into consultation chiefly by the Department of Labour, and not to any great extent by the other departments dealing with war problems, with the exception of the Department of Munitions and Supply, the functions of which directly affect many labour and social questions¹.

Nevertheless, although collaboration in Canada has not reached a stage of full participation by employers and workers in all parts of the machinery of Government, considerable advance has been achieved both in framing and applying industrial and social legislation, and in broadening the functions of labour and management in the governmental organisation.

Collaboration has developed at a gradual pace. Peace-time machinery was neither radically amended nor extended during the first months of war, apart from the extension of the coverage of the Industrial Disputes Investigation Act to all war industries, which

¹ The Department of Munitions and Supply is responsible for the purchase and procurement of munitions of war and supplies, and for the construction of defence projects. The Department includes a Labour Relations Branch headed by an official on leave from a railroad union. Although this Branch is designed to represent the Government in its role as purchaser and consumer in dealing with organised labour, there is widespread feeling that in fact its functions to some extent duplicate those of the Department of Labour.

took place in November 1939. In June 1940, following the fall of France, further attempts to secure an all-out war effort were made. With this end in view, the Government issued a declaration of labour policy and a tripartite National Labour Supply Council was set up to advise the Minister of Labour on industrial relations and other labour matters. Wage policy and the settlement of disputes by conciliation procedure have been worked out or strengthened by the Government, after consultation with representatives of labour and employers, and collaboration has been extended into a limited number of other fields, such as health and housing, which affect social organisation in wartime. Finally, the machinery in process of establishment for planning during the post-war period includes labour as well as employer representation.

COLLABORATION IN THE CENTRAL ADMINISTRATIVE MACHINERY

As the national emergency deepened in the spring of 1940, there was a growing realisation that a more complete recognition of the partnership of labour and management in industry was essential to a more rapid and complete mobilisation of the Dominion's economic and human resources for war purposes. In June 1940, therefore, a conference of representatives of labour organisations and Government officials was held in Ottawa to discuss practical methods of collaboration. The trade unions agreed to the publication by the Dominion Government of a declaration of labour and social policy in wartime and urged the establishment of machinery to associate trade union and industrial representatives more closely with the Government's war organisation. As a result, two Orders in Council were issued towards the end of June: the first set forth a series of general principles to govern industrial relations during the war; and the second, in application of this statement, established a tripartite National Labour Supply Council.

Noting that the Government had, at the outbreak of war, received expressions of the desire of industry and labour to co-operate with the Government to the end that the industrial capacity of Canada requisite to the successful prosecution of the war might be fully utilised, the declaration of policy continued: "It would conduce to the removal of misunderstandings and to the extension of common interests and national purpose were a declaration to be made by the Government at this time of certain principles for the regulation of labour conditions during the war, the acceptance of which by employers and workpeople would make for the avoid-

ance of industrial strife and the utmost acceleration possible in the production which is so essential in present circumstances"¹ The Order in Council outlined ten principles designed to allay industrial unrest. It declared, among other things, that workers should be free to organise into trade unions of their own choice; that collective agreements should be negotiated, and that they should include provision for machinery for settling disputes, and that any suspension of labour standards which might be required should be understood to apply only during the period of emergency. Finally, it called the attention of employers to the facilities of the Employment Service of Canada and suggested, in addition, that they should establish contacts with trade unions in meeting their labour requirements.

National Labour Supply Council

The National Labour Supply Council, established in order to carry out certain aspects of this declaration of policy, is composed of six representatives of industry and six representatives of labour, chosen in consultation with the most representative organisations of industry and labour respectively, and of an impartial chairman appointed by the Minister of Labour.² Its functions were originally restricted by the Order in Council to advising "on any matters touching labour supply for industry which may be referred to it by the Minister of Labour". Within this field, however, the Council was called upon to give advice or to approve new measures in a variety of social and labour matters during the months following its establishment.

The limitation of the activity of the Council to advising only on matters referred to it by the Minister of Labour was considered, especially by the trade union members, unduly to narrow the Council's scope and influence. Criticism was made that, although its work had been useful in certain fields, it had not been made responsible for planning and for initiating new measures. The Minister of Labour therefore wrote, on 21 March 1941, to the Chairman of the National Labour Supply Council, interpreting the sphere of competence of the Council in this way: "I believe that I have made

¹ Order in Council P. C. 2685, dated 19 June 1940, I.L.O. *Legislative Series*, 1940 — Can. 1.

² Order in Council P. C. 2686, dated 19 June 1940. The Order originally provided for five representatives of labour and employers respectively, an Order in Council (P. C. 7611), dated 28 Dec. 1940, enlarged the membership to provide for representation of railway management and labour.

it clear that the precise wording of the Order in Council should not be so interpreted as to place any restrictions on the advice which you can tender me on any labour matters. It is obvious that a Council set up equally representative of labour and industry can perform a very wide service in this critical period, and I am only too anxious to receive your advice on any labour matters on which you deem it expedient to give me such advice"¹ Although this interpretation of the functions of the National Labour Supply Council has removed the major grounds for complaint against the field of activity of the Council, yet the labour movement recognises that "the value of this change will depend on the extent to which the Council is made aware of Government policies affecting labour before they are put into force"²

COLLABORATION IN DETERMINING CONDITIONS OF EMPLOYMENT

The maintenance of industrial peace is one of the first and foremost questions facing any country in time of war. In Canada, the question was at first complicated by the division of jurisdiction between the Dominion and Provincial Governments; but emergency legislation has simplified the situation by granting increased powers to the Dominion Government to intervene in industrial disputes and to determine, on a national basis, wages and working conditions.

Shortly after the outbreak of war, delegations from all the major federations of labour in Canada assured the Government of their desire to co-operate in the maintenance of industrial peace by the prevention of strikes and lock-outs³. Largely as a result of their suggestions, an Order in Council was issued in November 1939, extending the Dominion Industrial Disputes Investigation Act to cover all disputes between employers and workers engaged in war work⁴. The Act provides for the setting up of tripartite Conciliation Boards to investigate any disputes in which a strike or lock-out

¹ Extract from letter of 21 March 1941 from the Minister of Labour to the Chairman of the National Labour Supply Council.

² Cf., e.g., editorial in the *Canadian Congress Journal*, Vol XX, No 4, April 1941, p 7.

³ Before the war, industrial disputes could be classified into three groups, according to a study appended to the report of the Royal Commission on Dominion-Provincial Relations. "First there are those in which the Dominion can intervene because of exclusive legislative power over the industry. Secondly, there are those in which it can intervene because of the provincial enabling legislation, and thirdly, those which still remain entirely within provincial jurisdiction. In this latter group, of course, there is nothing to prevent the Dominion from offering its conciliation services" (J. A. CORRY *Difficulties of Divided Jurisdiction*, Ottawa, 1939, p 25).

⁴ Order in Council, P.C. 3495, dated 7 Nov 1939.

has occurred or is threatened. Each Board is composed of one member appointed by the employers, one by the workers, and a chairman selected by the two members or, in case of disagreement, by the Minister of Labour.¹

In the absence of any national wage policy, however, the Government feared that the changing personnel of the Boards would result in a diversity of findings and an unfortunate lack of co-ordination in wages and working conditions in war industries. The trade union leaders finally agreed, with great reluctance, to the issuance (in December 1940) of an Order in Council designed for the guidance of the Boards of Conciliation set up to investigate wage disputes.²

The Order, which was prepared after consultation with the National Labour Supply Council, specifies that the wage levels prevailing during the period 1926-29, or higher levels established thereafter but prior to the date of the Order, are to be considered fair and reasonable. However, the Order provides for a bonus to meet increases in the cost of a basic or minimum standard of living. In exceptional circumstances, the Order declares that special arrangements may be made for increased hours of work and the use of shift systems, but that any suspension of standards or departures from trade practices will be limited to the duration of the emergency and must be recorded with the Registrar of the Industrial Disputes Investigation Act, so as to facilitate the restoration of standards in the post-war period. While the Order in Council stabilises rather than definitely determines wages and while it does not prohibit strikes or lock-outs, it does provide for a review by the Department of Labour of decisions of Conciliation Boards, with the possibility of returning the findings for reconsideration. In addition, it encourages collective bargaining and written collective agreements by making provisions for the filing of such agreements.³

In January 1941, the Minister of Labour made a further effort towards national co-ordination of wage policy by suggesting the

¹ The Conciliation Boards have no compulsory jurisdiction, and unless the parties agree to be bound by their decisions, the Boards have only persuasive authority, the right to strike being postponed rather than prohibited.

² Order in Council P.C. 7440, dated 19 Dec. 1940 (*Labour Gazette*, Jan. 1941). In the recent consolidation of the Order in Council, as amended, the reference to the National Labour Supply Council has been deleted.

³ The original draft of the December Order in Council had included provision for a National Labour Review Board, tripartite in character, to review the awards made by the Conciliation Boards. The National Labour Supply Council, however, rejected this draft because it believed that such a procedure would approximate to compulsory arbitration by building up a body of binding precedent.

establishment of panels for the selection of the chairman of Boards of Conciliation, primarily in order to secure a greater continuity of personnel. This suggestion was rejected, however, by the tripartite National Labour Supply Council on the ground that the changing personnel of the Conciliation Boards tended to prevent the building of a body of binding precedent and thus was an element of strength by helping to ensure that each case would be decided on its merits in the light of broad principles of justice. Otherwise, the trade union movement feared that the Industrial Disputes Investigation Act might eventually approximate to compulsory arbitration. Some of the trade unions have expressed the opinion that the Order in Council outlining wage policy has, in fact, tended to delay the operation of the Boards of Conciliation and to limit their usefulness. Such, for example, was the view put forward in a memorandum submitted by a delegation of the Trades and Labour Congress to the Government on 14 March 1941.¹

In June 1941, however, measures were taken to strengthen the impartial character of the Boards of Conciliation (partly in the hope of attaining a higher degree of unanimity) and to provide machinery for a prompt investigation of threatened trade disputes before the appointment of a Conciliation Board. The first measure amends the Industrial Disputes Investigation Act to prevent any person from serving on a Conciliation Board if he is, or has within six months been, a counsel or a paid agent of any party to a dispute. The second establishes an Industrial Disputes Enquiry Commission charged with making an immediate preliminary investigation of threatened work stoppages and if possible effecting settlement without incurring the delay and expense involved in the establishment of a Conciliation Board. The Chairman of the Industrial Disputes Enquiry Commission is an outstanding trade unionist while a well-known representative of employers participates, and it is expected that any further Commissions appointed will be of this tripartite character.

COLLABORATION IN PARTICULAR INDUSTRIES

The problems of particular industries often call for special machinery and procedure. One important activity of the National Labour Supply Council has been to develop or to further tripartite or bipartite collaboration in such industries. At the express request of the Council, a National Joint Conference, representative of em-

¹*Labour Gazette*, March 1941, p. 282

employers and workers in the construction industry, was held in February 1941, primarily in order to ensure full co-operation in stabilising the various factors affecting labour relations and labour supply in the industry in wartime¹ After discussion, the Conference adopted a series of recommendations dealing with labour supply for war projects, post-war planning and rehabilitation, apprenticeship and training, the coverage of the unemployment insurance scheme, wages and other conditions of work, and the settlement of industrial disputes² Finally, the Conference recommended the creation of a National Joint Conference Board for the industry, made up of nine representatives of employers and nine representatives of workers, to carry forward the work of the Conference³ The Board has established zones throughout the Dominion and assists local organisations, which are responsible for setting up zone committees, composed of two representatives of labour and two of management The Board itself does not include representatives of the Government in its membership, but it was agreed that the National Labour Supply Council would furnish the Board's secretariat and that the chairman of the Council would convene meetings of the Board

It has been proposed that similarly constituted Conferences might be held to discuss the special problems of other important war industries

EXTENSION OF COLLABORATION IN THE SOCIAL FIELD

Collaboration has been developed or expanded in a variety of social fields during the war period For example, the Commission set up to administer the Unemployment Insurance Act, which was adopted in 1940 and became operative in July 1941, consists of one representative appointed after consultation with workers' organisations, one appointed after consultation with employers' organisations, and an independent chairman The Unemployment Insurance Advisory Committee is required by law to include at least one rep-

¹ The authorisation for the Conference was by Order in Council P C 868, dated 5 Feb 1941 Thirty-one representatives of employers and an equal number of representatives of workers were invited to attend Cf *Labour Gazette*, Feb 1941

² "As a measure designed for the prevention of stoppages of work", the Conference recommended "the development of collective trade agreements between employees and employers in organised areas, and the inclusion of an arbitration clause in all such agreements"

³ Before the Conference closed, the representatives of the employers and workers on the National Joint Conference Board were selected

representative of employers and workers¹ In fact, it is a fully representative body, the majority of its members having been nominated on behalf of trade unionists and employers through the machinery of the National Labour Supply Council In each regional division, a court of referees is set up to deal with claims; each court is composed of an independent chairman and equal numbers of members chosen from panels of representatives of employers and of insured workers The important role of employers and workers in the administration of all aspects of the Act was emphasised by an official of the Dominion Department of Labour, who declared " Practically the whole of the administration will be in the hands of representatives of employer and employee, who pay by far the larger proportion of the fund Because you have employer and employee sitting in on the administration . . . we are going to get a fairly sound and efficient administration "²

In addition, labour representatives have been selected to participate in the work of the National War Charities Advisory Board, on the National Research Council, on the Dominion Council of Health and on its technical Sub-Committee on Industrial Hygiene The Government-owned housing company (Wartime Housing Ltd), set up in May 1941 to provide housing accommodation in areas where it is required to prevent delays in essential production and construction, includes both labour and employer members on its board of directors

In the agencies where there is now labour participation, trade union membership is, in most cases, one out of a large number of non-labour members³ The extent of labour influence will therefore depend largely on the nature of the individual contributions of the labour members to the various boards and the strength of the body of organised labour opinion which they articulate In many other fields directly affecting labour, the trade union movement has not yet secured representation

¹ The Committee is charged with making an annual report on the financial condition of the Unemployment Insurance Fund and recommending any amendments to the Act or any additional regulations that seem to be required

² *Labour Gazette*, Aug 1940, p 793

³ The trade union representative on the War Charities Fund Advisory Board is 1 of 10, on the Dominion Council of Health, 1 of 15, on the Technical Advisory Committee on Industrial Hygiene, 2 of 11, on the National Research Council, 1 of 16, on the Wartime Housing Board, 1 of 7, on the Sub-Committee on Technical Training, 1 of 7, and on the Committee on Reconstruction (see below) 1 of 5

COLLABORATION IN PLANNING FOR POST-WAR RECONSTRUCTION

Canada has established a Cabinet Committee on Demobilisation and Rehabilitation, which is assisted by a General Advisory Committee. So far, however, trade union representation has been secured only on the Sub-Committee on Vocational and Technical Training and Retraining. Finally, a Committee on Reconstruction, consisting of five members, of whom one is the President of the Trades and Labour Congress of Canada, was set up in 1941 to analyse proposals of post-war planning and to submit reports on these studies to the Cabinet Committee on Demobilisation and Rehabilitation ¹

* * *

The first two years of war have witnessed an increasingly widespread recognition of the value of labour as well as of employer co-operation with the Government of the Dominion of Canada. Despite the difficulties arising from the division of the labour movement into four competing groups and from the Federal structure of the Government, advance towards more complete collaboration has been made in matters directly affecting labour supply and industrial relations. The extension of the practice to other fields is less developed, so far as the trade union movement is concerned. Progress recorded during the first two years of hostilities, however, makes it reasonable to assume both an extension of collaboration to other fields and an improvement of present procedures and practices in fields where they already exist. The organised trade union movement is bending every effort to assure for labour "what it has oft been promised, a place of equality in the councils of the nation and a full opportunity to contribute from its knowledge and experience toward the success of the war effort and the planning for the days to follow" ²

¹ The Committee on Reconstruction is established under the authority of Order in Council P.C. 1218, dated 17 Feb 1941, amending the terms of reference of the Cabinet Committee.

² Statement of the President of the Trades and Labour Congress of Canada, quoted in the *Labour Gazette*, Jan 1941, p. 4

CHAPTER IV

INDIA

It may be recalled that provision has been made in the Constitution for India, established by the Government of India Act, 1935, for special representation of "the interests of commerce and industry" and of "the interests of labour" In the Federal Assembly, which has not yet been brought into being, out of a total of 250 seats 11 have been allotted to representatives of commerce and industry and 10 to representatives of labour In 10 out of the 11 Provincial Assemblies (the exception being the North-Western Frontier Province), seats have likewise been specially allotted to representatives of commerce, industry, mining, and planting, and to representatives of labour, the aggregate numbers being 56 for the former and 38 for the latter, out of a total of 1,535 seats The employers' representatives are elected by chambers of commerce and similar bodies, while the labour representatives are elected partly by the members of registered trade unions and partly by wage-earners in special labour constituencies

COLLABORATION IN DETERMINING CONDITIONS OF EMPLOYMENT

Consultation between the Government of India and representatives of organised labour in respect of the regulation of working and living conditions has been practised, particularly since the last war, and different methods have been adopted for the purpose, such as the circulation of legislative proposals in draft to workers' as to employers' associations for comment and, in the case of railway workers, regular half-yearly meetings between their representatives and the Railway Board This practice was carried a step further when, in accordance with a decision of the Government of India, the Member for Labour of the Viceroy's Council held conversations on 5 and 6 January 1941 at Calcutta with workers' representatives, on the one hand, and with employers' representatives, on the other hand, for the purpose of considering various

legislative proposals in respect of such subjects as conciliation of industrial disputes, extension of maternity benefits, holidays with pay, and sickness insurance¹

The war has had a considerable effect on the economic conditions in India, though the repercussions have varied from time to time, and this gave rise to a large number of industrial disputes over a wide area, particularly during the period immediately following the outbreak of hostilities. The tendency to bring about a settlement of such disputes by conciliation, either by means of *ad hoc* committees suited to the circumstances or by the regulation of conditions of work on the basis of conclusions reached by fact-finding committees and, more particularly, by the employment of Labour Officers for dealing with industrial relations, which was already apparent in the years immediately preceding the war, has been further accentuated and seems likely to assume a more definite and permanent form. The Viceroy made the following observation on this subject in his address to the combined session of the two Houses of the Central Legislature on 20 November 1940

Labour in India has not been without its problems, but owing to the good sense of all concerned, there has been no major dislocation of work since the war began, and I believe that Indian labour will continue its substantial contribution to the war effort. When disputes have arisen, the influence of the Government has always been thrown in favour of adjustment and conciliation rather than dictation²

COLLABORATION IN THE CENTRAL ADMINISTRATIVE MACHINERY

The intensification of India's war effort has been gradual and its pace has in the main been determined by the extension of the military operations to areas which are of importance to the country's own defence and in which its armed forces have, for that reason, been engaged at the present time as on previous occasions. This has entailed arrangements for the production and supply of the equipment necessary for the Indian Army and for other Empire forces³. For obvious reasons detailed information on these arrangements has not been published, but some of the steps taken to ensure the support, or safeguard the interests, of industry in dealing with the present emergency may be briefly indicated here

¹ For details, see *International Labour Review*, Vol XLIII, No 5, May 1941, pp 557—559, and Vol XLIV, No 1, July 1941, pp 64—66

² *The Statesman*, New Delhi, 21 Nov 1940

³ For an account of the measures taken in respect of the arrangements for training labour for skilled work, see INTERNATIONAL LABOUR OFFICE *Labour Supply and National Defence*, Montreal, 1941, p 129, and *International Labour Review*, Vol XLIV, No 1, July 1941, pp 72—75

In the early stages of the war a system of controls was established over foreign exchange and trade, in common with action taken in Great Britain and other Empire countries in respect of economic warfare, while at the same time a War Supply Board was set up with various technical advisers attached to it to act in consultation with a series of panels from industry. A Department of Supply was moreover created in the Government of India, with six Provincial Controllers of Supplies, also to be assisted by advisory committees of representatives of industry¹

The meeting of the Eastern Group Conference at New Delhi in the autumn of 1940 to consider the war supply problems of the British Empire countries east of Suez marked an important stage in the development of the country's war effort. The principal task of this Conference was the determination of a sound co-ordinated war supply policy. As this involved an exchange of confidential information on the existing position and future plans between the delegations, these latter were composed of Government representatives, but representatives of industrial interests in India also took part in the Conference as advisers²

An equally important step taken recently was the establishment in July 1941 of a National Defence Council "in pursuance of the desire of his Majesty's Government to associate Indian non-official opinion as fully as possible with the prosecution of the war". The Council, which consists of some 30 members, includes representatives of commerce, industry and labour.

COLLABORATION IN THE PLANNING FOR POST-WAR RECONSTRUCTION

It is evident that the Government intends the practice of collaboration with industrial interests to be carried over to the period of post-war reconstruction. The Commerce Department of the Government of India announced the appointment of an inter-departmental Committee to deal with post-war industrial reconstruction in a press note of 6 June 1941³. The Reconstruction Committee will be presided over by the Member for Commerce of the Viceroy's Executive Council and will consist, in addition, of the Economic Adviser as well as representatives of the Railway Board.

¹ For details see *India At War, A Record and a Review, 1939-1940*, by Sir George DUNBAR, Bt., London, H M Stationery Office, 1940.

² *Proceedings of the Annual General Meeting of the Associated Chambers of Commerce of India held in Calcutta on the 16th December 1940*, p. 9.

³ *The Leader*, Allahabad, 11 June 1941.

and of the Finance, Commerce, Defence, Education, Health and Lands, Labour and Supply Departments Specific problems will be dealt with by sub-committees, which will include persons with special knowledge of those problems, whether official or unofficial, and it is explained that this procedure has been decided upon in order to prevent the main committee from becoming too unwieldy to function efficiently The main committee as well as the sub-committees will be brought into contact with Provincial and State Governments

* * *

This summary description of the situation in India shows that, while there is considerable collaboration between Government and industrial interests, the participation of labour is very restricted The reasons are not far to seek On the one hand, the political deadlock has prevented the coming into operation of those provisions of the 1935 Constitution which were intended to afford increased functional representation of labour in the government of the country On the other hand, the trade unions are still comparatively weak and collaboration in ordinary industrial relations is still in a relatively early stage of development Nevertheless, the account registers some progress, and it may be expected that, with the rapid growth of industrialisation to meet the needs of the war, this progress will be continued and accelerated

CHAPTER V

NEW ZEALAND

In contrast with the situation in most other countries, New Zealand entered the war not only with a long tradition and experience of collaboration of industrial organisations with Government authorities but also with a Labour Government in power, and with a series of plans for wartime organisation which had been worked out in peace-time and were ready to come into force

Comprehensive machinery for conciliation and arbitration and collective negotiation with representatives of workers, employers, farmers, and other occupational groups, had been in operation in New Zealand during many years preceding the outbreak of war. The Labour Government came to power in 1935 and has remained in office since that date. With considerable foresight, it made use of the "near war" period, and particularly the early months of 1939, to draft plans for economic and social adaptation of its economy in case of war, controls were therefore ready to go into operation upon the declaration of war against Germany.

As a result of these factors, the chronicle of wartime developments in the field of collaboration is largely one of modification and change in the existing machinery, in the course of which the principle of Government consultation with industrial organisations has been kept well to the fore and applied throughout the whole economic structure of the country. The changes which have been made in the collaboration machinery have reflected changes in emphasis in the war economy as a whole rather than improvisation of machinery to meet unexpected issues. The cumulative effect of the measures and procedures in operation during the war period has been the establishment of a complex but integrated structure of collaboration, the existence of which has greatly strengthened the national war effort.

COLLABORATION IN THE CENTRAL ADMINISTRATIVE MACHINERY

Responsibility for the economic war effort of New Zealand has been distributed among a number of administrative departments

Collaboration between these departments and the various occupational organisations has been assured by the establishment of representative advisory committees, and co-ordination of the work of the departments and their advisory bodies is carried out both through interdepartmental agencies and advisory committees. Tripartite collaboration has, in fact, been practised extensively in almost all parts of the war machinery, although the Acts and Regulations pertaining to war organisation do not always require it and although the method of selection of the committee members is left, as a rule, to the competent Minister.

The War Council and War Cabinet

The increased war effort following the June 1940 crisis brought a number of adaptations in the political structure of New Zealand, in order to obtain full co-operation of all groups within the nation in the war effort. In June 1940, a War Council was set up, consisting of 15 members, including the chief Ministers and representatives of producers, employers, workers, and returned soldiers' organisations. This Council has met at regular monthly intervals and has operated primarily through two committees, one concerned with defence and military affairs and the other with primary and industrial production. The latter committee, which has met frequently, has supervised and received reports concerning the technical work of the various councils and advisory committees working under the departments concerned with the war effort.

On 16 July 1940, a War Cabinet was appointed consisting of the Prime Minister, the Ministers of Defence and Finance, and two leaders of the Opposition Party¹. The Prime Minister has been the liaison officer between the ordinary Cabinet, the War Cabinet, and the War Council. The Council is in fact supplementary to the War Cabinet, and makes recommendations to it. Most matters of major policy have normally been dealt with by the agencies representative of the various group interests.

The central problems of ensuring both adequate labour supply and adequate supply of material for wartime production have been the concern of a number of the departments, including Labour, Agriculture, Industries and Commerce, and Social Security, with liaison assured through the Ministers, the departmental administrative heads and the advisory committees.

¹ The division of functions between the War Cabinet and the ordinary Cabinet has been theoretically that the War Cabinet would be concerned with problems growing out of the war and not with normal national policy. War finance however is not within the province of the War Cabinet.

Industrial Emergency Council

Responsibility for conditions of employment and for the training of workers during the war, as well as for any necessary amendments and suspension of working conditions, has fallen largely to the Minister of Labour. To assist him in the execution of his wartime duties, an Industrial Emergency Council was established under the Emergency Regulations Act of September 1939¹. Its functions, although purely advisory, are very broad, namely "to enquire into and to advise the Minister during the period of war emergency on any matters referred by him to the Council or on any other matters arising out of the state of emergency and pertaining to his office". Its membership, appointed by the Minister and "comprising such number of representatives of employers and workers as he sees fit", consists at the present time of 19 persons—the Minister of Labour as Chairman, nine nominated by the Federation of Labour and nine by the Employers' Federation. As it has dealt almost entirely with the adaptation of conditions of work and methods for increasing production to meet war requirements, its operation is described in more detail in connection with collaboration in determining conditions of employment.

Council on Primary Production

Responsibility for assuring primary production has rested largely with the Minister of Agriculture, who has set up under his chairmanship an advisory body, the Council on Primary Production, composed of representatives of farming organisations, workers' organisations, and the Department of Agriculture². The Council on Primary Production, like the Industrial Emergency Council, has no executive power but has served as liaison between the Government and the farmers and has made recommendations to the Government concerning farm labour, fodder supplies, land development, and farm subsidies generally. It has met frequently throughout the war particularly to consider the best methods to increase primary production. It receives reports from District Production Councils, whose membership also includes, in most cases, at least one representative

¹ Emergency Regulations Act, 1939 (No. 8 of 1939), dated 14 September 1939. The Industrial Emergency Council Regulations, 1939, dated 14 September 1939 (Serial No. 1939/166).

² The Primary Industries Emergency Regulations, 1939 (Serial No. 1939/164), and Amendment No. 2 (Serial No. 1940/120). The permanent head of the Department of Agriculture was appointed Primary Industries Controller, and works closely with the Departments of Supply and Industries and Commerce.

of an industrial trade union, which report on the various needs of the respective districts. The Council also advises farmers of the nation's needs and induces the farmers to do their utmost to supply these needs. One question which has been discussed but on which unanimity has not yet been reached is the question of a sufficient supply of farm labour, which in turn depends on reaching agreement between farmers and industrial workers regarding wages and conditions on farms.

In addition to the Council on Primary Production, there is a Commercial Advisory Committee, composed largely of business men, which deals mainly with particular types of agricultural problems.

Central Advisory Labour Council

The organisation of labour supply, and the allocation of manpower to the various branches of agriculture, industry, and the armed forces are the responsibility of a number of administrative agencies. Before the outbreak of war, an Organisation for National Security had been set up within the administrative framework of the Social Security Department, and had prepared a schedule of reserved occupations. The facilities and work of this organisation were transferred shortly after war was declared to a Central Advisory Labour Council composed of an employers' and a workers' representative from each of three advisory agencies—the Industrial Emergency Council of the Department of Labour, the Council on Primary Production of the Department of Agriculture, and a Factory Advisory Committee (which was set up to advise the Minister of Industries and Commerce) a senior officer representing the armed forces, and an administrative officer from the Social Security Department.¹ The general responsibility of the Council was to study the effect of military recruitment on the labour supply for essential industries and to make recommendations for holding to a minimum interference with war production which might derive from recruiting policy. On the recommendation of the Council, Man-power District Advisory Committees were set up in the principal centres, each one consisting of a chairman (representative of the local bodies in the district), one member representing employers, and one representing workers.

¹ Factory production in wartime as in peace-time is the concern of the Minister of Industries and Commerce. To assist him in the heavy war tasks in regard to factory production and labour supply, a Factory Advisory Committee was set up early in the war, composed of two representatives of the Federation of Labour and two of the Employers' Federation. In addition, similarly constituted sub-committees were established in the three main industrial centres outside Wellington.

In July 1940, important alterations were made in the machinery for the organisation of labour supply. A new department (the Department of National Service) was set up to handle the allocation of man-power between industry and the armed forces, and to be responsible for the organisation of labour supply for industrial production. The Regulations establishing the department provide for the appointment of an Advisory Council to assist the Minister in his work and, if the Minister so wishes, of Advisory Committees, composed of persons selected by the Minister. In practice, the Central Advisory Labour Council has continued in operation, with little change in its field of work.

Dominion Auxiliary Workers Training Council.

The increased tempo of the war effort led to growing shortages of skilled workers. With the advice and assistance of the Central Advisory Labour Council, an emergency vocational training programme has been set in motion. A conference of Government officials, employers, and workers was held in October 1940 to discuss and to formulate plans for implementing the programme, and this was followed by discussion conferences with employers, workers, and school authorities in various centres in the Dominion. After these negotiations, Auxiliary Workers Training Regulations were made in February 1941, setting forth plans for carrying out the emergency programme. The Regulations provide for the appointment by the Minister of Labour of a Dominion Auxiliary Workers Training Council, representative both of employers and workers and of the departments concerned with training. The function of the Council is both advisory and executive, including the formulation and recommendation of training schemes, the execution of approved schemes, the establishment and co-ordination of local councils, and the placement of workers after training. The Dominion Council may establish local councils which must also include a representative of employers and workers, together with a representative of the Labour Department, the State Placement Service, and the local technical school.¹

Supply Advisory Council

The organisation of material supplies has been centred in the Department of Industries and Commerce ever since the international

¹ Auxiliary Workers Training Emergency Regulations, 1941, dated 19 Feb 1941, (Serial No 1941/23). The Dominion Council may increase the number of workers' and employers' representatives, if this seems advisable.

crisis of 1938 Under the Organisation for National Security, a National Supply Committee (with the Minister of Industries and Commerce as chairman) and sub-committees were established to deal with urgent questions of material supply Information on these problems was collected with the active assistance of the Bureau of Industry, which includes representatives of manufacturers and of farmers and functions through industrial committees, some of which are tripartite in composition or include representatives of many different groups¹

The Supply Control Emergency Regulations, issued in September 1939, provide for the establishment of a Ministry of Supply, for the appointment of Controllers for any aspect of supply, and for the establishment of a Secretariat of Supply² The Minister of Industries and Commerce became the Minister of Supply and the Secretariat was staffed by members of the Department of Industries and Commerce The actual administration of the various controls has been carried on by the Departments most directly concerned with the subject matter under control In June 1940, the Regulations were amended to strengthen Government control over industry and to provide for the establishment of a Supply Advisory Council, consisting of such persons as the Minister thinks fit, to advise the Minister on any matters referred to it by him relating to the administration of the regulations or affecting production or supply³

Collaboration of labour and employer groups with the governmental machinery for material supply and control has been secured in various ways by informal consultations between departmental

¹ This is the case in the Flax Plan Industrial Committee and the Pharmacy Plan Industrial Committee The provisions of the Foodstuffs Control Emergency Regulations gave the necessary authority to implement an industrial plan, and a representative committee was set up in an advisory capacity, firstly to the Bureau of Industry and secondly to the Food Controller Additional regulations issued pursuant to the Act—The Licensed Industries General Regulations, 1940, dated 24 Oct 1940 (Serial No 1940/279)—outline the duties, powers and procedures of an industrial committee, including stimulation of production, scientific research, price control, determination of equitable competition, cost accounting, marketing, training schemes for workers, formulation of methods for improving conditions, and social welfare Further, they are to promote "better relationships between employers and employees, and advance the welfare of persons engaged in the industry"

² Supply Control Emergency Regulations, 1941, dated 4 Sept 1939 (Serial No 1939/131)

³ Supply Control Emergency Regulations, 1939, Amendment No 1, dated 18 June 1940 (Serial No 1940/121)

One of the most important of the Supply controllers is the Factory Controller, whose functions include marshalling the output of secondary industries and maintaining production generally, allocating work for certain military contracts, arranging supplies of materials, ensuring delivery and regulating labour supply, supervising industrial adjustments to conserve imported raw materials, and ensuring the retention of key workers in industry by providing information to the man-power organisation

officials and employers and workers, by existing tripartite committees and by special wartime advisory agencies. These procedures were strengthened in May 1941, when, in response to the growing complications of the supply problem (primarily as a result of shipping difficulties), the Supply Advisory Council was set up by the Minister of Supply. The Council, authorised by the above-mentioned amendment to the Supply Control Emergency Regulations, is responsible for centralising all orders for the armed forces, for the control of commodities which may be needed for defence, for the imposition of priorities in regard to supplies and shipping, and for economies in civil consumption. The personnel of the Council include a representative of employers and a representative of workers¹

COLLABORATION IN DETERMINING CONDITIONS OF EMPLOYMENT

On the outbreak of war, immediate attention was given to adjusting to wartime conditions the machinery for the settlement of industrial disputes and the determination of conditions of employment.

Special regulations were adopted, in October 1939, prohibiting strikes and lock-outs and at the same time providing for the appointment by the Minister of Labour of Emergency Disputes Committees representing employers and workers². Each committee is composed of not more than three representatives of employers and workers respectively and another person appointed as chairman. Whenever a situation arises that may lead to a stoppage of work, the Minister may either refer the question to an existing disputes committee or may set up a committee under the Emergency Regulations. This machinery has made possible immediate settlement of disputes without the delays arising under the normal process of negotiating an industrial agreement or of bringing the matter in dispute before the Court of Arbitration.

The work of the Industrial Emergency Council has been of great significance in the determination of working conditions under wartime emergency regulations. Emergency powers granted the Minister of Labour in September 1939 permitted him "in order to facilitate the effective conduct of emergency operations arising out of the war" to suspend the provisions of any Act or regulation or order and of any award or industrial agreement under the Industrial Conciliation and Arbitration Act and under the Labour Disputes In-

¹ *New Zealand Herald*, 30 May 1941

² The Strike and Lockout Emergency Regulations, 1939, dated 4 Oct 1939 (Serial No 1939/204)

vestigation Act or of any voluntary agreements "affecting conditions of employment, which prohibit or restrict in any way the working of extended hours on any day or in any week or which relate to the conditions under which extended hours may be worked"¹ Acting under these powers the Minister of Labour immediately suspended all provisions relating to public works and in their place prescribed certain conditions relating to hours of work, overtime rates, and other special allowances²

Further emergency regulations issued in May 1940³ provided that the Arbitration Court, on the application of any industrial union or association of employers or workers, might by General Order amend the provisions concerning wages of all awards and industrial agreements in force (which under ordinary conditions can only be changed at the expiry of the term of the award or agreement) In making any such changes the Court must take into account the economic and financial conditions affecting trade and industry in New Zealand, the cost of living and any changes in the cost of living Finally, additional power was given to the Minister of Labour in June 1940⁴, by amendment of the 1939 Labour Legislation Emergency Regulations, to suspend any provisions in so far as they relate to conditions of employment, if it appears to him "to be necessary or expedient so to do for securing the public safety, the defence of New Zealand, or the efficient prosecution of any war in which His Majesty may be engaged, or for maintaining supplies and services essential to the life of the community"

In making use of this authority the Minister of Labour has relied upon the advice of the Industrial Emergency Council He has indicated that no regulations have been issued unless they had first been thoroughly investigated by the Industrial Emergency Council, and has stated "all variations in awards must first be approved by the Emergency Council before I agree to their taking place Any company or industry requiring an extension of hours for the purpose of furthering our war effort can send it to the Council for investigation and consideration The Council hears the evidence of all interested parties and then makes its recommendations to me By

¹ The Labour Legislation Emergency Regulations, 1939, dated 14 Sept 1939 (Serial No 1939/167)

² The Labour Legislation Suspension Order, 15 Sept 1939 (Serial No 1939/168) Defence and Emergency Works

³ The Rates of Wages Emergency Regulations, 1940, dated 16 May 1940 (Serial No 1940/86), and Amendments No 1, 12 June 1940 (Serial No 1940/16), and No 2, 18 Sept (Serial No 1940/242)

⁴ The Labour Legislation Emergency Regulations, 1940, dated 18 June 1940 (Serial No 1940/123) revoking the 1939 Labour Legislation Emergency Regulations

this means every case is thoroughly gone into and when the recommendation comes to me, I feel confident that it expresses the good judgment of both the employees' and employers' representatives on that Council" ¹

After consultation of this nature, amendments have been made in regulations and awards covering wages, hours of work, shift systems, and the employment of women. Shifts have been permitted in certain industries which did not permit them previously, such as ammunition factories and woollen mills, while restrictions in woollen mills, clothing factories, sail and tent making, etc., or overtime work for women and boys have been suspended; apprenticeship conditions in certain industries have been temporarily relaxed, coal miners, shearers, tinsmiths, workers in cheese factories and in tanning works and certain other categories are working longer hours. On 12 August 1940 minimum rates of remuneration were increased by 5 per cent by the Arbitration Court, after a hearing of representatives of employers and workers, and a similar increase was also subsequently granted by the Government to Public Servants earning less than £335 a year ²

The repercussions of the changes in wage rates and working conditions and the constantly increasing production needs caused the Government in September 1940 to convene an Economic Stabilisation Conference, "to survey the general economic position of the country under war conditions in order to consider the possibility of stabilising costs, prices, and wages, and to discuss expanding production so that the strain of war expenditure may be successfully borne and the standard of living be maintained as far as possible" ³. The Conference was attended by 44 delegates representing employers, employees, and the commercial banks. A General Working Committee, composed of seven representatives of employers and seven representatives of labour with the Chairman of the Bank of New Zealand as Chairman, drew up a unanimous report, which was adopted by the Conference without change. The report surveys the general situation of New Zealand and then makes fifteen recommendations concerning war finance, increase of production, import control, price control, price standardisation, stabilisation, subsidisation, rent control, housing, transport, savings schemes, profit

¹ *New Zealand Herald*, 5 Dec 1940

² Cf. "New Zealand's War Economy", by W. B. SUTCH, in *The Economic Record*, Dec 1940, pp. 208-217, also the Clothing Trade Labour Legislation Suspension Order, 1940, No. 1, Amendments Nos. 1 and 2 (Serial Nos. 1940/316 and 317), 18 Dec 1940.

³ *Report of an Economic Stabilization Conference*, 1940, Wellington, 1940. Cf. *International Labour Review*, Vol. XLIII, No. 1, Jan 1941, pp. 90-93, for a discussion of wage adjustment and economic policy in New Zealand, including a summary of the work of the Conference.

limitations, and family allowances "With the object of increasing production and of promoting good will and smooth working, the Conference recommends a greater measure of co-operation between employer and employee, and suggests that voluntary committees of employers and employees be set up" In addition the Conference proposed that better results in price control would be obtained "by adding a representative of the consumers to the Price Tribunal"

In conclusion, the Conference stressed that its recommendations were designed to achieve two main results "The first is to stabilise prices, wages, and costs so that the cost of the war is not thrown unfairly on one group to the benefit of another The second is to increase all kinds of production and the efficiency of every type of service which will help, however indirectly, the national drive"

COLLABORATION IN PARTICULAR INDUSTRIES

In addition to the machinery already in operation prior to the war, a number of special bodies were set up after the outbreak of war (particularly during the months following June 1940) to deal with the problems of particular industries Outstanding examples of this type of machinery are found in the coal mining industry, in water-front activity, and the freezing industry

The Coal Mines Council Emergency Regulations of 26 June 1940 provided for the establishment of a Coal Mines Council with the function of ensuring "the steady and uninterrupted output of coal in quantities sufficient for the needs of New Zealand"¹ While the Regulations do not require the appointment as members of the Council of representatives chosen by organisations of employers and workers, provision is made that the Minister of Mines shall have regard to the desirability of "having a member especially conversant with matters affecting workers in coal mines" The duties of the Council include dealing with the housing of persons engaged in coal mining, the training and supply of coal-mine workers, methods under which persons are engaged in or about coal mines, the prevention of accidents, the general health and safety of miners, the settlement of industrial disputes, and matters connected with the production and distribution of coal

Following a serious dispute between the waterside workers and their employers in the spring of 1940, the Government took over complete responsibility, in principle, for the organisation of water-

¹ The Coal Mines Council Emergency Regulations, 1940, dated 26 June 1940 (Serial No 1940/135)

front labour A Waterfront Control Commission of three persons was set up and made responsible for determining the wages and conditions of employment of waterside workers The Commission then undertook to reorganise waterfront work in order to guarantee regular income to workers and regular service to shipowners¹

Regulations issued to cover the Freezing Industry² provide for the establishment in each slaughterhouse of a Works Efficiency Council, composed of the Union Works Board of Control and representatives of the management, plus the district union secretary The objects of the Council are to promote good relations between the freezing companies and their employees and to provide for any alterations that may be suggested for the more efficient conduct of the work In addition, there is a National Council comprising three representatives of each side, to settle any disputes which may arise, and failing a decision reference is made to the Court of Arbitration for settlement

Mention has already been made of the various industry committees set up under the Industrial Efficiency Act The activities of these committees offer clear examples both of Government participation in industry and of the self-regulation of industry by co-operative action Further extensive use has been made of the experience of the more informal system of joint advisory councils which was in operation in certain occupations and which has been extended during the war For example, an Advisory Council of the Post and Telegraph Joint Advisory System was established in December 1940 and its inaugural meeting attended by the Postmaster General and representatives of the Post Office and of the Labour Department In addressing the meeting the Postmaster General (who is also Minister of Labour) outlined something of the interest felt in New Zealand in the establishment of machinery for joint collaboration and indicated how the same processes of full consultation had been used in the framing of new industrial and labour legislation³

¹ The Waterfront Control Emergency Regulations, 1940 11 March 1940 (Serial No 1940/44) The Waterfront Control Commission Emergency Regulations, 1940, 9 Apr 1940 (Serial No 1940/59), and Amendment, 11 June 1940 (Serial No 1940/109)

² The Freezing Industry Emergency Regulations, 1940, 10 Dec 1940 (Serial No 1940/312)

³ *The Katipo*, 23 Jan 1941 The address of the Minister (Mr P C Webb) included the following relevant statements "We are doing our best to try and bring about councils of this kind between employers and the workers because we feel that the closer we get together the better position we will be in to evolve wise legislation To give an instance, shortly after the Labour Government came into office, we wrote to the Miners' Union, the Miners' Managing Associations, and to the Companies pointing out that we intended to bring legislation down to amend the mining laws I wanted suggestions from them If they could see that amendments were needed in certain directions, I

COLLABORATION IN PLANNING FOR POST-WAR RECONSTRUCTION

In March 1941, the Prime Minister appointed a Cabinet Committee on Reconstruction, comprising those Ministers who will be most concerned with the problems of post-war repatriation. The Cabinet Committee has been investigating problems of housing accommodation, land for settlement, establishment of new industries, erosion control, irrigation and river control, and the expansion of existing industries and of the hydro-electric and railway systems. It is hoped that this investigation, along with the revival of public works postponed during the war, will help to avoid post-war unemployment. The Cabinet Committee has also been engaged upon the preparation of training schemes for returned soldiers who, through lack of previous opportunity or physical disability, are not suitable for immediate absorption into ordinary forms of employment. The Governor General, at the opening of the third session of the Twenty-sixth Parliament of New Zealand on 12 March 1941, discussed the reconstruction plans, stating

The most important and urgent problems of post-war repatriation, reconstruction, and expansion have for some time past been under the earnest consideration of my Government, who are determined that the conclusion of this war will find the Dominion adequately prepared to provide for the returning members of the armed forces and for their absorption into normal civil life. With this object in view my Government have appointed a Cabinet Committee comprising those Ministers who will be most concerned. My

wanted them to submit those amendments to me. I got a whole host of suggested amendments from the different parties. Then I got my own experts to work to boil them down to what we thought would be a practical expression of the views of the various interests that we consulted. Then, after that, I called a conference of representatives from all sections of the industry and produced a Bill—a Bill founded on their combined knowledge. It appeared to me that a Bill of this kind would most probably meet the general requirements of the mining interests. I told them it was for them to go into the whole matter with us, and we took the Bill from the short title right through and discussed almost every clause. There were little gives and takes on both sides, but we evolved a Bill agreed upon by both sides, and it is recognised as the best Mining Bill in the world at the present time. If I had just proceeded in the ordinary way, I would have had to deal with evidence opposed to this and evidence opposed to that. Instead, we concentrated the minds of the whole industry upon the question, and the Government got legislation that is expressive of the best knowledge of the whole industry.

"A similar thing happened with the petroleum legislation. I made contact with the people interested in petroleum production before framing legislation to deal with it. I wanted to consult them so as to get legislation framed that would meet the requirements of what I hope will be a new big profitable industry in this country. When this petroleum legislation became law, it expressed the opinion of all those concerned. It reflects the combined knowledge of the experts as well as some of the practical men in the industry. The people from America tell us that the finest petroleum legislation in the world is on the New Zealand Statute Book. I am only mentioning these things to let you see the value of pooling knowledge."

Government, who propose very shortly to associate with themselves in this matter, representatives of returned soldiers, farmers, rural and urban workers, manufacturers, commerce, and other interested sections of the community, are confident that their plans for these purposes will be adequate and ready when the need arises¹

* * *

In New Zealand, partly because collaboration in solving industrial problems has been practised over a long period and partly because the Labour Party, which has constituted the Government throughout the war, attaches special importance to tripartite co-operation, the wartime evolution of collaboration has been steady and far-reaching. The regulations establishing advisory machinery, it is true, do not always specify precisely what groups are to be represented nor do they contain any guarantee that representatives of particular groups shall be chosen by or in agreement with the organisations concerned. The way in which the machinery is actually constituted and its operation are thus dependent in large measure on the policy of the Government. In practice, however, the machinery appears so far to have worked with very considerable success. Evidence of this and of the importance attached to it by the Government at present in office may be seen in the following extract from the message of the Governor General referred to above.

The proper and adequate direction of the Dominion's war effort has been materially assisted by the establishment of a War Cabinet, and my Advisers desire to emphasise the undoubted advantages that have resulted from this measure in placing the higher direction of the Dominion's war effort upon a wider basis.

By the establishment of a War Council, providing as it does for the direct collaboration with my Government of representatives of labour, employers, and farmers, it is felt that every section of the community has been afforded some means of expressing its views and exercising its proper influence on the country's war effort.

Most valuable assistance has been rendered, also, by the National Production Council, the Industrial Emergency Council, and other advisory bodies, which afford those immediately concerned in trade and industry the opportunity of consulting directly amongst themselves on war measures and of advising my Ministers of their respective requirements.

Co-operation between employers and workers has enabled the necessary degree of flexibility to be introduced into the Dominion's labour legislation with the object of obtaining a greater output of war requirements.

¹ *The New Zealand Gazette*, Extraordinary No 22, Wellington, 12 March 1941

CHAPTER VI

UNION OF SOUTH AFRICA

Although workers' and employers' organisations have participated in South Africa in the determination of working conditions, tripartite collaboration in solving economic and social problems was relatively undeveloped at the outbreak of war and has not developed during the war on the same scale that it has in some other parts of the British Commonwealth of Nations. The trade union organisation as legally recognised by the Industrial Conciliation Act has never encompassed large groups of South African labour and in particular has not included the large mass of Native labour. The European trade union movement consists of two major organisations, the South African Trades and Labour Council and the Cape Federation of Trade Unions. A National Joint Committee, consisting of equal representation of both groups, has been responsible for dealing with the Government on many general questions and particularly on those arising out of the war. A similar Joint Committee represents the interests of the South African Chambers of Commerce and the South African Federated Chamber of Industries.

A system of national industrial councils for the determination of wages, hours of work, and other conditions of employment in organised industries, and of wage boards to regulate conditions in unorganised industries, has operated for a number of years and has continued to function without substantial alteration during the war. A representative Advisory Council of Labour, which had ceased to function in 1930 but was resuscitated in 1937, serves as a general consultative body for the Minister of Labour on all questions concerning social and labour legislation and any other matter coming within his jurisdiction. The Council's membership has been selected by the Minister "not as the representatives of any organisation, but on account of the individual's knowledge of and connection with a particular interest, organisations catering for the more important national interests were, however, invited to submit the names of persons considered suitable for appointment." It has been concerned prim-

arily with the maintenance of agreed standards and the progress of new social and labour legislation in wartime as in peace-time ¹

COLLABORATION IN THE CENTRAL ADMINISTRATIVE MACHINERY

The Government which came into power on 4 September 1939, and declared war on 8 September, fell heir to economic and military defence plans which were inadequate for war purposes. It had, therefore, to adapt the administrative structure to war needs and to improvise machinery to meet the increasing demands of the war effort. From the outset, the Government attempted to make use in the war organisation of the co-operative spirit immediately expressed both by labour and by employers. According to a statement by the Secretary for Labour "On the 4th October, a deputation from the South African Trades and Labour Council interviewed the Prime Minister, the Minister of Labour and Social Welfare also being present. The deputation intimated that the trade union movement would co-operate with the Government in the present emergency, and the Prime Minister expressed the Government's intention to keep in touch with the trade unions and to consult them from time to time on developments affecting their interests. The understanding arrived at on the occasion of this interview has been carried out in practice, and trade union representatives have on many occasions been able to assist the Government with advice on labour matters arising from the war. Similar cordial relations have been maintained with employers' organisations" ²

Responsibility for recruiting, for securing adequate man-power for industry and agriculture, for army and civilian supply, price control and shipping, and foreign exchange was divided primarily among four Union Government Departments, namely Defence, Labour, Commerce and Industries³, and Finance, while the Departments of Mines and Agriculture and Forestry⁴ were also associated

¹ *Official Year Book of the Union of South Africa*, 1940 p. 245

² *Report of the Department of Labour for the year ended 31st December 1939* UG No 36, 1940. Issued by Authority Government Printer, Pretoria, 1940. Foreword by the Secretary for Labour

³ The Department of Commerce and Industries has taken on additional war duties, particularly concerning merchant shipping control, regulation of imports and export control, prevention of profiteering, price-fixing, food-stuff supplies and rationing, produce distribution, and certain aspects of trading with the enemy

⁴ Extended control of agriculture in South Africa has been in effect since 1937, in virtue of the Marketing Act, which created an Advisory National Marketing Council, and of the Act creating the Dairy Industry Control Board. All the various boards have been utilised under the Emergency Regulations for the special control problems arising out of the war effort. As they are not composed of representatives of organised labour, they are not described in this report

with them. The Prime Minister took over the Portfolio of Minister for Defence, and the Department of Defence was made responsible, first, for recruiting for the army and, second, for the purchase and production of all goods required for the defence of the Union or the carrying on of the war. The Department of Defence co-operates with the Department of Labour in determining working conditions on defence projects and particularly in recruiting for the armed forces and in meeting the labour problems arising out of Government production.

A number of committees and boards have been set up as part of the wartime machinery to co-ordinate the efforts of the various departments. These boards have brought together departmental officials, outside experts, and, in some instances, representatives of the occupational organisations. However, the full organisational participation foretold by the Government at the outbreak of war was not provided for in the membership of a number of the boards, with the exception of those dealing directly with labour issues or concerned with the problems of particular industries. It was not until February 1941 that the voluntary machinery which had been relied upon up to that time was replaced by measures making possible full governmental control of industry and man-power, and that full tripartite collaboration was achieved by the setting up of a representative Labour Control Board.

National Supplies Control Board

The first general co-ordinating board to be set up was the National Supplies Control Board.¹ The Board is composed of the Chairman of the Board of Trade and Industries, the Secretary for Commerce and Industries, the Chairman of the Union Tender and Supplies Board, the Secretary for Defence, the Secretary for Agriculture and Forestry, and any other persons whom the Minister may

¹ The Board was first established in the Department of Industries and Commerce in April 1939 with two functions: (a) to survey the position in the industrial spheres of South Africa as to the amount and value of goods manufactured in the country and the raw materials used, and (b) to prepare lists of "key" positions in industry and the names of holders of such positions. Immediately after the outbreak of war, National Emergency Regulations (*Government Gazette*, No 2679, Notice No 201, 14 Sept 1939) increased the personnel of the Board, and extended its powers to include (a) fixation of maximum prices for the sale of specified goods, (b) prevention of hoarding, (c) prevention of profiteering.

For fuller descriptions of the work of the Board, cf. *Official Journal of the Department of Commerce and Industries*, May 1940 and March 1941, also *South African Journal of Economics*, Dec 1940, article by C. S. RICHARDS "Some Economic and Administrative Aspects of South Africa's War Effort".

appoint Its functions have included certain aspects of labour market organisation, as well as the ordering and manufacture of goods required by the State, price fixing, prevention of hoarding and profiteering, and the requisition of goods or lands needed for public purposes, it has operated through a number of special committees set up to deal with its various activities, and over 350 local committees Although other agencies were subsequently set up to deal with particular aspects of its work, the National Supplies Control Board has remained in operation Protests against the lack of labour representation on its various committees were made during the year by the National Joint Committee, and it was reported at the April 1941 Conference of the South African Trades and Labour Council that the Prime Minister was giving consideration to this question

War Supplies Directorate

In November 1939, a War Supplies Directorate was established by the Minister of Defence to deal with the increased duties of the Defence Department in the field of army recruiting, labour, and material supply¹ An outstanding industrial executive was named Director-General of War Supplies, while the majority of the Directors were chosen either from industry or from the Defence or Commerce and Industries Departments² No representative of labour was named to the central organisation, but labour advisory committees and a panel of experts were immediately established The panel of experts consists of over 130 industrialists, business men, engineers, accountants, metallurgists, chemists, and labour leaders Special sub-committees were set up to deal with particular commodities, and a labour committee, including representatives of employers and of workers, was made responsible for voicing the particular group interests in the work of the War Supplies Directorate as a whole The Director-General has outlined the purpose of the War Supplies Directorate as follows "A necessary element in a complete plan appears to me

¹ *Government Gazette*, Notice No 294, 1939, Proclamation and Annexure inserting Regulation No 31, 24 Nov 1939 "The Minister of Defence shall appoint a Director-General of War Supplies, hereinafter referred to as the Director-General, who shall, under the Minister, have the control of the purchase or acquisition of, and of the production of all goods required by the Defence Department for the defence of the Union or the efficient carrying on of the War" The Regulation then outlined the powers and functions of the Directorate

² The Director-General is also Chairman of the Electricity Supply Commission, the South African Iron and Steel Industrial Corporation, the African Metals Corporation, and a Director of Barclay's Bank

to be public knowledge, especially on the part of manufacturers, merchants, and skilled workers, of the war supplies needs of the Union I am therefore anxious that the link between the War Supplies Organisation and Industry, Labour, and Commerce, which, in fact, is more effective than many realise, should be based on as complete a mutual understanding as it is possible to achieve" The Director-General added that he believed that the method of consultation used by the War Supplies organisation "provides a highly practical method of collaboration with representative commercial, industrial and labour organisations"¹

The War Supplies Directorate, in collaboration with the Department of Labour, has been particularly concerned with increasing the supply of skilled labour to meet the urgent needs of the war effort To this end, a basic technical training scheme was put into operation in December 1939, after consultation with the trade unions and employers concerned, who approved the scheme² A Central Organisation for Technical Training was instituted in conjunction with the technical colleges to co-ordinate all the various private and public training efforts

¹Interview with the Editor of *Commercial Opinion* published in Sept 1940, Vol XVII, No 212, p 117 In reply to a question whether it would be possible for his advisers to be nominated by representative organisations, the Director-General of War Supplies stated "In war supplies work there are serious difficulties in the way of making appointments on that basis There are difficulties in the allocation of representation Much of the work would also be complicated by the need for reference to the executive committees of organised bodies before action could be taken by their representatives A further difficulty is that the primary consideration in each appointment is the possession of a specific form of commercial, industrial, or technical knowledge, which would not be necessarily guaranteed in appointments resting on the basis of election by representative organisations In the circumstances—circumstances of considerable urgency—I found it necessary to accept personal responsibility for all appointments Men of good judgment in each field were of course consulted by me before the necessary appointments were made in aspects of the work outside the scope of my own experience

"Reference to the personnel of the War Supplies Panel of Consultants and the many War Supplies Committees will show that, in the result, all sections of Industry, Commerce, and Labour have been drawn upon extensively by the War Supplies organisation" In reply to a further suggestion that members of the War Supplies Panel and Committees should report from time to time on their work to the executive committees of the representative business and labour bodies of which they happen to be members, the Director-General answered "I regard all such members as personal channels through whom authoritative information can be informally conveyed from time to time to the executive committees of the various bodies you mention, and by whom the War Supplies organisation can be kept in contact with the opinion of these representative bodies"

²*Report of the Department of Labour, op cit*, Foreword by the Secretary for Labour

Defence Liaison Committees

In the spring of 1940, in order to implement and co-ordinate certain elements in the defence structure in regional and local areas, the Defence Department adopted a scheme which had originated in the Johannesburg Chamber of Commerce concerning the national and non-sectional organisation of defence recruiting. The scheme provided for the setting up of a series of Defence Liaison Committees in the principal centres of the Union. These Committees are selected from representatives of the official local bodies representing commerce, industry, the professions, labour, etc., and are recognised by the Union Defence Department as competent to speak for commercial, industrial, and professional men and employees in their areas. The objects of the Liaison Committee in each area include the co-ordination of measures to ensure the provision of allowances for employees enlisting, the provision of additional recruiting office staff, premises, and office equipment, and submission to the local exemption tribunal of expert recommendations. In the case of Liaison Committees in the largest centres, the Defence Department has recommended that the work should be organised on the basis of an Advisory Committee and eight sub-committees. The Advisory Committee will be responsible for co-ordinating the efforts of the Sub-Committees and consists of their Chairmen. The work of the Liaison Committees, which are wholly voluntary, is co-ordinated by a Defence Liaison Officer appointed by the Defence Department for each area¹

Other Committees

In addition to these general co-ordinating committees, other Boards and central control committees have been set up in various departments directly concerned with the war effort. This is particularly the case in the Department of Commerce and Industries, which established in November 1940 a Merchant Shipping Control Committee concerned with the problems of shipping shortage, and in December of the same year a Canning Board to deal with the regulation of production and marketing of canned and processed products. These boards and similar boards in other industries have become of par-

¹ At a meeting of the Central Executive Committee, Association of Chambers of Commerce, held in Oct 1940, a resolution was adopted declaring that "the Defence Liaison System of co-operation between the Defence Department and local Committees representing industry, labour, the professions, and commerce warrants the wholehearted support of all Chambers affiliated to the Association" Cf *Commercial Opinion*, Vol XVII, No 214, Nov 1940

ticular importance as the problems of shipping control and the need for shipping priorities have affected the whole of South African industrial and agricultural development. They have been primarily composed of Government employees and of the business, agricultural, and shipping interests which have been concerned with the production and marketing aspects of the war effort. There has apparently been no participation of representatives of organised labour.

Labour Control Board

In the spring of 1941, the problem of man-power came into prominence. The Government therefore took action to mobilise and to control the human resources of the country by the adoption in February 1941 of the Control of Industrial Man Power Regulations. In order to carry out this task with maximum facility, representatives of employers and workers were called upon to assist in the application of the Regulations. The Control of Industrial Man Power Regulations make provision for the appointment of a Controller of Industrial Man Power, responsible to the Minister of Defence, who is given authority to control industry and man-power in regard to any industry declared to be a controlled industry¹. The Regulations provide for the appointment of a Labour Control Board, consisting of the Controller as chairman and any such other members representing employers and workers in equal numbers as the Minister may appoint, after consultation with the employers' organisations and trade unions, which, in his opinion, are most closely affected. Before taking any action under the Regulations on any matter of principle or on a matter directly affecting established working conditions, the Controller must submit the question to the Labour Control Board for report and recommendation, but the final power of decision on any matter is left to the Controller. In determining the remuneration of workers, the hours of work, and any other conditions of employment in any controlled industry, the Controller must not in any way abrogate existing agreements under the Industrial Conciliation Act of 1937. Further, the Controller has power to determine any dispute which, in the opinion of the Controller, may affect directly or indirectly the material available for the making of munitions. On 19 March 1941, the engineering industry was declared

¹ Cf. *Government Gazette*, 13 Feb 1941. Government Notice No 26. The Controller (who is a former Secretary of Labour) has authority to control engagement, dismissal and resignation, admission and training of new workers, transference, and other employment questions in any controlled industry or establishment. Further, no person may commence business in any controlled industry without the prior written consent of the Controller.

a controlled industry¹ and first steps were taken to restrict the engagement of certain classes of workers in the industry² The Labour Control Board, consisting of four representatives of employers and four representatives of workers, was established by the Minister of Defence on 8 April 1941, and the machinery for tripartite control thus set in motion³

COLLABORATION IN DETERMINING CONDITIONS OF EMPLOYMENT

The normal tripartite machinery for determining working conditions and maintaining industrial peace provided for under the Industrial Conciliation Act of 1937, has, as was indicated, continued in operation during the war, and a number of new agreements have been negotiated

As stated by the Secretary for Labour, "the maintenance of industrial peace, important in peace-time, is essential when a country is at war, and it is therefore of the greatest importance that there should be no thought of curtailing departmental activities under the wage regulating measures which have brought about the present very satisfactory relations between employers and employees The manner in which the industrial conciliation machinery preserves peace in industry is illustrated by the fact that a number of new or supplementary industrial council agreements, providing for the payment of allowances to meet any appreciable increase in the cost of living, have recently been negotiated without giving rise to any suggestion of industrial trouble"⁴

A number of special committees have been appointed by the Minister of Labour in the course of the war to investigate conditions in particular areas and work out any necessary modifications in the wage-fixing machinery These committees consisted of representative of employers and trade unions, with the local Divisional Inspector of Labour as Chairman⁵

The problem of relating hours of work to war output was raised in an interim report issued by an Industrial and Agricultural Requirements Commission in August 1940 The Report stated

"In view of the probable absence on military service of a large part of the personnel of most industrial, mining, and commercial

¹ Cf *Government Gazette*, 19 March 1941, Government Notice No 403 defines the engineering industry in broad terms

² Cf *Government Gazette*, *loc cit*, No 404

³ Cf *Government Gazette*, 8 Apr 1941, Government Notice No 526

⁴ Report of the *Department of Labour*, *op cit*, p 2

⁵ *The Star*, Johannesburg, 21 June 1940

organisations, and the necessity for increasing the output of war supplies, your Commission feels that it will be impossible to carry on the work of the country effectively if the present regulations governing working hours are to remain in full force. In this connection, your Commission would draw attention to the generally expressed desire of both employers and employees to assist to the full in the national effort"¹

The Commission then proposed that the Minister of Labour be requested "to arrange, in consultation with the representatives of employers and employees, for the suspension, where necessary, of regulations governing working hours". The proposal for suspension of the regulations for restrictions on hours did not in any way hinder the adoption in May 1941 of the new Factories Act, lowering the standard working week from 48 to 46 hours and providing for holidays with pay.

COLLABORATION IN PARTICULAR INDUSTRIES

Most extensive consultation of trade unions and employers, organisations has taken place primarily in the engineering and mining industries. One of the first issues dealt with in the engineering trades concerned the need for partial dilution. A conference was held in the Department of Labour of the Mechanics' Unions' Joint Executives on 11 October 1939 at which the discussion showed that the representatives realised that the industry would have to develop new methods involving the introduction of labour from outside the industry to meet war requirements. Proposals of the Department of Labour were considered and subsequently a detailed agreement was arrived at by the Industrial Council for the Iron and Steel Manufacturing and Engineering Industry (Transvaal) which permitted the entrance of new labour into the industry. The agreement provided that

¹ *Second Interim Report of the Industrial and Agricultural Requirements Commission*, UG 49/1940. Published by Authority, Pretoria, 1940. The Commission was appointed by the Governor-General on 5 Jan 1940 (*Government Gazette* No 274/12 Jan, Government Notice No 26) "to undertake a comprehensive survey of the Union's industrial and agricultural requirements" and to make recommendations as to the essential requirements to ensure a greater output.

As a result of its first Report, in May 1940, the Government established the Industrial Development Corporation, the Director-General of War Supplies being named Chairman, to promote the financing of new industries and industrial undertakings and schemes for promoting efficiency in manufacturing industries. In considering applications the Corporation will make extensive investigations into raw materials, labour supply, wage rates and markets. Cf *Official Journal of the Department of Commerce and Industries*, March 1940, Vol II, No 9, and Jan 1941, Vol III, No 7.

"emergency labour may be used for the production of munitions and war supplies or to enable the industry to continue its normal or expanded services to the country generally"¹

In mining, tripartite collaboration has been maintained throughout the war effort. Representatives of the gold and of the coal mining industries were afforded opportunities of consultation with the Government concerning the various amendments to the National Emergency and Finance Emergency Regulations affecting their respective industries. As mining has been considered an essential wartime industry, plans have been worked out between the representatives of the employers and of the trade unions for the elimination of non-essential tasks, for the arrangements to be made for employees who have enlisted for active military service, and for the determination of the number of employees who could be released for national service.

EXTENSION OF COLLABORATION IN THE SOCIAL FIELD

Tripartite collaboration has also been extended during the war in the field of social legislation. The Shops and Offices Act and the Electrical Wiremen and Contractors Act, which had, prior to their enactment during 1939, been approved by the representative Advisory Council on Labour, came into operation on 1 January 1940. At a meeting of the Advisory Council on 8 January 1940 other legislative measures which were being prepared for submission to Parliament were fully discussed. These measures included an Apprenticeship Bill, a Bill to amend the Unemployment Benefit Act, a Factories and Machinery Bill, and a Workmen's Compensation Bill. Of these the two latter have been enacted.

The Factories, Machinery, and Building Work Act², which was assented to on 10 April 1941, substantially improves the working conditions for large numbers of workers and extends the coverage of the earlier Factories Act. Among the new provisions particular mention may be made of the hours of work provisions, lowering the normal hours of work from 48 to 46, the stipulations concerning payment for overtime, paid holidays, prohibitions on employment of women near time of childbirth, and the raising of the minimum age for admission to employment from 14 to 15 years, as well as new regulations concerning safety and the enforcement of the Act. The adoption of the Act was subsequent to numerous formal and

¹ Cf. *Report of the Department of Labour, op cit*, p. 3

² *Government Gazette*, No. 2893, 17 April 1941, Act No. 22 of 1941

informal consultations between the public authorities and both the employers' and workers' associations

The Workmen's Compensation Act¹ which was passed on 5 May 1941, repealing the previous Act of 1934, was also the result of representative discussion in the hearings before a Select Committee of the House of Assembly, in the Advisory Council on Labour, and in direct consultation with employers' and workers' organisations. Provision is made that in case of disputes arising out of claims, an appeal can be taken from the Workmen's Compensation Commissioner to a tribunal consisting of himself and two or more assessors. The Minister of Labour, after consultation with the trade unions and employers' organisations which in his opinion are concerned, appoints two assessors representing the workers and employers respectively in each industry or group of industries.

In addition, during the war, unemployment benefit funds, in virtue of the Unemployment Benefit Act of 1937, have been established in respect of two industries, namely gold-mining and building. The establishment of the gold-mining fund on 1 December 1939 was the result of negotiations between the Transvaal Chamber of Mines, the South African Mine Workers' Union, and the Department of Labour. Difficulties in regard to administrative arrangements had delayed the establishment of the fund for the building industry. A number of meetings took place between the Department of Labour and representatives of the National Federation of Building Trade Employers which ultimately resulted in October 1940 in the establishment of a fund. A representative management committee, consisting of three employers' and three contributors' representatives and an equal number of substitute members, was appointed on 18 April 1941.²

COLLABORATION IN PLANNING FOR POST-WAR RECONSTRUCTION

Considerable attention has already been given to planning for the post-war period. A first step was the appointment on 25 November 1940 of a Board for the Reabsorption of Demobilised Volunteers into Civil Life. The function of the Board is to survey the field of employment and, in collaboration with Government Departments and employers of labour in all spheres of employment, to enquire into and draft schemes to recommend to the Government, providing for

¹ *Government Gazette*, 14 May 1941, Act No. 30 of 1941,

² *Government Gazette*, No. 2891, 18 Apr 1941, Notice No. 569. Cf. also *Report of the Department of Labour, op cit*, p. 80.

the reabsorption of men and women returning from active service to civil life, as well as for the employment of any persons displaced as a result of such reabsorption

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Although the request made initially at the outbreak of war by the Labour Unions, and repeated in the fall of 1940, after the intensification of South Africa's war effort, for "adequate representation on every public body, not as on sufferance or as a useful step-brother, but as an intimate confidential partner for the forward drive towards success and victory"¹ has not yet been fully met, there has been a steadily increasing use of labour representatives in meeting the urgent requirements for additional man-power for war purposes, particularly as shortages of skilled labour have become evident

There has been at the same time a marked tendency towards regularising the methods of collaboration between the Government authorities and the workers' and employers' organisations. Such is, for example, the view put forward in a recent editorial by the organ of the Associated Chambers of Commerce, which states "During the war and in the reconstruction period, Ministers to get through all the work before them may have to place more and more reliance on the system of consultation of organisations established to represent the views of the various groups which make up the economic life of South Africa. There are also indications that the process whereby the Government prefers representative and considered comment to individual and unco-ordinated views will be carried to a point where all sections of Commerce will be expected to speak through one organisation and all sections of Industry through another"²

¹ Cape Federation of Labour Unions, Official Organ, Vol IV, No 12, Sept 1940, p 3

² *Commercial Opinion*, May 1941, Vol XIX, No 220. The editorial makes it clear that it considers the trend to apply equally to trade unions as well as to employers' organisations

CHAPTER VII

THE UNITED STATES OF AMERICA

A state of limited national emergency was declared by the President of the United States of America at the outbreak of the war, but the defence programme was not launched until May 1940. From the outset methods of collaboration were improvised to bring employers and trade union officials into the governmental machinery, and, as the defence needs changed, procedures for securing the co-operation of management and of labour have been continually modified. The defence programme as a whole, and the participation of employers and workers in the planning and execution of the programme, are still in transition, the situation to-day marks a compromise between the earlier practice in the United States of unco-ordinated and *ad hoc* machinery and the more unified system now in effect in Great Britain, in which employers' and workers' representatives take part both in the central advisory bodies and throughout the production organisation.

The complex situation within the American labour movement and in American industrial relations has increased the difficulties of securing full collaboration—a situation which has been directly reflected in the defence structure. The division of the trade union movement originally made difficult the choice of workers' representatives to serve on or to advise the many new defence agencies.¹

In addition to the difficulties caused by the division within the labour movement, others arise from the fact that employers' or-

¹ It is interesting, however, to compare the present position of organised labour in the defence structure with the situation during the 1916-18 period. When American workers first urged that they should be given representation on war agencies, opposition was widely voiced by the employers who feared an implied recognition of unionism. When Samuel Gompers, then President of the American Federation of Labor, demanded "labour representation" on the board that was proposed for the settlement of disputes, employers contested the right of organised labour to "representation as such" on any agency, but they were willing to concede that Samuel Gompers should nominate himself or any other leader to participate in the work of the board as an individual who could speak for labour. To-day, the great majority of employers do not contest the demands of organised labour for representation in defence organisations, at least in those organisations the activities of which relate directly to labour matters.

ganisations in the United States are not in a position to serve as spokesmen for the employers' point of view on many defence problems, nor are there employers' organisations which can negotiate directly with labour on a national basis and take responsibility for compliance by their members with decisions reached

The growth of trade unions and the intensification of controversies, both between labour and management and among labour groups themselves, have brought increased public awareness of the strength and of the weaknesses that have long been inherent in the domestic situation in the United States but have come to the fore during the emergency. The lesson of British success in securing the collaboration of labour and industry with Government authorities by recognition of joint responsibility and by participation of the representatives of the employers' and workers' organisations in the national and local machinery of government is being examined thoughtfully in the United States. However, the nature of the federal structure of government in the United States, as well as the almost unique separation of functions between the executive and the legislative branches, have brought about a defence structure which follows a pattern largely foreshadowed by the governmental machinery of 1914-1919.

The development of the defence organisation has fallen into several distinct phases: first, a period of improvisation, lasting from May 1940 until January 1941, with the establishment of a series of committees and advisory agencies under the Council of National Defense; second, a period of greater co-ordination, lasting until the spring of 1941, during which these agencies were given greater power, their number and responsibilities increased and efforts made to integrate them into the increasingly complex structure of Government; and third, a period of administrative reorganisation, in the course of which emphasis was placed on price stabilisation and commodity control, the effect of such regulation on wages and the standard of living, and above all the acceleration of production for domestic defence needs as well as for aid to Allied countries. In August 1941, a significant new policy-making agency known as the Supply Priorities and Allocations Board was set up to co-ordinate the work of the various defence agencies and to ensure better utilisation of all the resources of the country.

COLLABORATION IN THE CENTRAL ADMINISTRATIVE MACHINERY

The national defence organisation is administratively centred in the Executive Office of the President and, with the exception of a

small number of individual agencies the authority of which is derived directly from Congress, the organisations set up to administer the defence programme report to the President without passing through the intermediary of the Cabinet or of the regular Departments. For this reason, the description of the methods of collaboration used in the central machinery of the defence programme will be grouped under the various defence agencies rather than under the departmental divisions.

In May 1940, the defence programme was set in motion by the establishment of a Council of National Defense composed of the Secretaries of War, the Navy, the Interior, Agriculture, Commerce, and Labor and by the formal creation of an Office for Emergency Management in the Executive Office of the President¹

The Council of National Defense then nominated and the President appointed "an advisory commission consisting of not more than seven persons, each of whom shall have special knowledge of some industry, public utility, or the development of some natural resource, or be otherwise specially qualified, in the opinion of the Council, for the performance of the duties hereinafter provided". Various defence agencies were then organised, either directly under the National Defense Advisory Commission or in co-operation with it.

In January 1941 these advisory agencies were transformed into agencies with executive authority². For the first time the Office for Emergency Management was given substantial responsibility for

¹The Council of National Defense was set up on 28 May 1940 under authority of a 1916 Statute (39 Stat 649). The Office for Emergency Management was set up in virtue of Executive Order No 8248 of 8 Sept 1939 by an Administrative Order of 25 May 1940.

²Administrative Order *Further defining the status and functions of the Office for Emergency Management*, 7 Jan 1941.

(1) The Office for Emergency Management shall have the following duties and functions:

(a) To advise and assist the President in the discharge of extraordinary responsibilities imposed upon him by any emergency arising out of war, the threat of war, imminence of war, flood, drought, or other condition threatening the public peace or safety.

(b) To serve as a division of the Executive Office of the President, with such subdivisions as may be required, through which the President during any emergency, may co-ordinate and supervise and, in appropriate cases, direct the activities of agencies, public or private, in relation thereto.

(c) To serve as a channel of communication between such agencies and the President concerning emergency activities, to keep the President currently advised of their progress, to assemble and analyse information concerning additional measures that should be taken, and to assist in the preparation of recommendations for any necessary legislation.

(d) To provide and maintain liaison during any such emergency with other divisions of the Executive Office of the President and with other agencies, public or private, for the purpose of bringing about maximum utilisation and co-ordination of their services and facilities.

the defence programme, and its functions defined to include the co-ordination under the President of the various defence agencies. These agencies have steadily increased in number and have come to include the agencies responsible for the production effort, and those, such as the Office of Price Administration, the Office of Civilian Defense, and even the Economic Defense Board, which serve the present defence effort and are charged with planning for the period of reconstruction. At the end of August 1941, a Supply Priorities and Allocations Board was set up within the Office for Emergency Management and under the chairmanship of the Vice-President to secure coordination in the allocation and distribution of the materials necessary for the defence effort and for civilian protection. The functioning of these agencies will be described in order to indicate some of the ways in which employers and workers have been brought into the execution of the defence programme.

National Defense Advisory Commission

As constituted in May 1940, the Advisory Commission of the Council of National Defense was composed of seven Commissioners selected to deal with problems of industrial production, industrial materials, employment (particularly questions of labour supply), farm products (agriculture), transportation, price stabilisation, and consumer protection.

(e) To advise and assist the President upon or before termination of any such emergency with respect to any measures that may be needful to facilitate a restoration of normal administrative relations and to ameliorate the consequences of the emergency.

(f) To perform such other duties and functions with respect to any such emergency as the President may from time to time direct.

(2) The work and activities of the following named agencies, and such other agencies as the President may from time to time designate, shall be co-ordinated in and through the Office for Emergency Management under the direction and supervision of the President.

(a) The Council of National Defense, the Advisory Commission to the Council of National Defense, and all subordinate bodies and agents of the Council and Commission.

(b) Defense Communications Board.

(c) Office of Production Management (to be created immediately hereafter).

(3) Provision may be made in the Office for Emergency Management for liaison facilities and for the maintenance of routine office services required in the conduct of the work and activities of the agencies co-ordinated through or established in the Office for Emergency Management.

For a full structural description of the OEM concerning the period ending April 1941 see *Office for Emergency Management, Functions and Administration* (U.S. Government Printing Office, April 1941).

In order to ensure that the Labor Commissioner (who is the President of a powerful trade union) would have the opportunity of obtaining the views of all the various organised labour groups in the United States, a Labor Policy Advisory Committee was appointed, it is composed of 16 members, six representing the American Federation of Labor, six the Congress of Industrial Organisations, and four the Railroad Brotherhoods of America. This Committee has pledged to the President the "full and unstinted" support of organised labour in the national defence programme.

Independent divisions were established under the direction of each of the Commissioners to carry out the varying tasks for which each had been appointed. While these divisions remained separate from existing Government agencies or departments, co-operation was maintained with those permanent agencies the work of which was related to the field of activity of each division.

In addition to these divisions a further series of defence agencies was set up to deal with defence purchasing problems, subcontracting, and the planning of a co-ordinated housing programme, a Priorities Board was made responsible for the determination of priority orders, a division of State and Local Co-operation was established to serve as a channel for developing co-operation with regional and State defence councils, other separate offices functioning as part of the defence programme were set up, on the recommendation of the Council of National Defense, to deal with problems of export control, relations between the United States and other American nations, and health, welfare, and related activities.¹ At the outset, there was little attempt to provide for tripartite collaboration in these new agencies, responsibility for the expression of the point of view of labour and management being left on the whole to the employers and workers participating in the administrative divisions, particularly concerned with labour and production problems.

Labor Division of the National Defense Advisory Commission

The Labor Division, established under the Labor Commissioner, was originally concerned primarily with problems of the co-ordination of labour supply policy, but its functions rapidly broadened to include industrial relations and conditions of work in defence industries. In carrying out its functions, it has relied largely on the

¹ For a more complete description of *United States Government Manual* (United States Information Service), Washington, D C

previously established machinery of government, departing from this practice only where this machinery was clearly inadequate to meet urgent defence needs. The basic principles which have served as a guide in the work of the Division were outlined by the Labor Policy Advisory Committee and adopted by the National Defense Advisory Commission in September 1940. These include recommendations for compliance with Federal statutory provisions affecting labour, wherever such provisions are applicable, for the elimination of discrimination because of age, sex, race or colour, for the protection of the health and safety of defence workers, and for application of the provisions of an Order of 15 November 1917, issued by the Chief of Ordnance of the U.S. Army, relating to the connection between labour standards and efficient production¹

Office of Production Management (O P M)

In January 1941, an Office of Production Management (known as the O P M) was established within the Office for Emergency Management (O E M) as the central co-ordinating agency for defence production, thereby increasing the relative importance accorded to labour in defence organisation²

The Office of Production Management is directed by a Council consisting of a Director-General, drawn from the ranks of industry, an Associate Director-General, selected from labour, the Secretary of War, and the Secretary of the Navy. It has authority to formulate measures "to increase, accelerate, and regulate the production and supply of materials, articles, and equipment and the provision of emergency plant facilities and services required for the national defence", to ensure co-ordination of the activities of the various agencies of the Government, to analyse requirements for defence,

¹ Cf. *Labor Speeds Defense* Report of Progress, by the Labor Division of the National Defense Advisory Commission, Washington, 1940

² Executive Order No. 8629, *Establishing the Office of Production Management in the Executive Office of the President and Defining its Functions and Duties*, 7 Jan. 1941. In setting up the O P M its framework was also provided namely Divisions of *Production*, *Purchases* (taking over the duties of the Co-ordinator of National Defense Purchases), and *Priorities*, as well as the *Priorities Board*. Subsequently the O P M issued a series of regulations defining the functions of the three original divisions and establishing a *Bureau of Research and Statistics*, including an advisory committee consisting of representatives of the operating divisions of the O P M, and representatives of the War and Navy Departments, the National Defense Advisory Commission, and any other defence agencies that might be designated to take over the work of Research and Statistics of the National Defense Advisory Commission, and transferring the *Labor Division* of the National Defense Advisory Commission to the O P M, placing it on the same level as the other O P M divisions.

to co-ordinate placement of orders, to assure provision of raw materials, and to formulate plans for the mobilisation of industry and of man-power¹

The establishment of the O P M marked a shift in emphasis to greater production, while its composition recognised the contribution that could be made by joint labour and management responsibility in the execution of the defence programme. Earlier proposals had called for a one-man administrative head drawn either from the Government or from industry. The President, in naming the four-man board, emphasised that the Director-General and the Associate Director-General constituted a partnership of equals who "serving under the direction and supervision of the President, shall discharge and perform the administrative responsibilities and duties required"

Labor Division of the O P M

Labour policies and labour supply problems continued to be determined largely through the Labor Division, which was transferred from the National Defense Advisory Commission to the O P M with little change in its duties or structure. The Labor Policy Advisory Committee continued to be the central advisory agency to the Division. Working "in close co-operation with, and utilising to the maximum extent compatible with efficiency, all appropriate departments and agencies of the Federal Government", the Labor Division has the following responsibilities:

- (a) Ascertain labour requirements for national defence,
- (b) Develop programmes and co-ordinate efforts for assuring an adequate and trained labour supply for defence purposes,
- (c) Advise with respect to problems of standards of work and employment in defence industries,
- (d) Assist in the prevention and adjustment of any labour controversies which might retard the defence programme; and
- (e) Advise and collaborate with the other divisions of the Office of Production Management on all matters affecting labour²

(a) *Labour Supply* In July 1941, the Labor Division was re-organised, primarily in order to provide greater co-ordination of

¹ Executive Order No 8629

² O P M Regulation No 5, *Establishing a Labour Division in the Office of Production Management and Prescribing its Duties and Functions*, 18 Mar 1941

labour supply policy A new Labor Supply Branch was set up within the Division, charged with giving concentrated attention to the country's many and complex problems of labour supply In executing this task, the Branch co-ordinates the work of the twelve Government agencies, the activities of which relate to labour supply A series of regional Labor Supply Committees was set up to combine representatives of the twelve agencies with labour and management representatives in each industrial area The whole reorganisation has been described by the Associate Director-General of the O P M as "unquestionably one of the most significant poolings of labour, management, and Government resources that has thus far taken place in the national defence programme"¹

A training-within-industry programme, which was begun under a special section of the Labor Division in the first days of the National Defense Advisory Commission and carried on by the O P M , has become part of the work of the Labor Supply Branch This programme is based on labour-management co-operation and is decentralised administratively, thus calling into play regional and local co-operation of employers and workers The National Director of the training-within-industry programme is advised by a committee of six representatives of organised labour and six representatives of management For the execution of the programme, the country is divided into 22 districts, each under the direction of a district representative chosen, after approval of labour and industry, on the basis of his working knowledge of the skilled labour and personnel problems of the area, in practice the representatives have been largely selected from personnel managers Each district representative was to be assisted by an Advisory Council composed of two representatives of industry and two representatives of labour (one selected by the C I O and one by the A F of L) , and, in addition, panels of experts and consultants are available to assist in the execution of training-within-industry programmes

The Labor Division co-ordinates the activities of other agencies in the regular Government departments which relate to the organisation of labour supply for defence The Federal Committee on Apprenticeship (which directs the work of the Apprenticeship Unit of the Department of Labor) has been officially charged by the Division with the responsibility for developing apprenticeship in defence industries The Committee is particularly well-equipped for determining apprenticeship policies and standards because it is composed of representatives of labour and industry in equal numbers, as well

¹ O P M Labor Division, Release of 9 July 1941

as of the Government agencies directly concerned. The United States Office of Education (in the Department of the Interior) is primarily responsible for the organisation of defence training courses in the country's vocational schools. Although employer and labour collaboration with the Office of Education has been less systematic, State and local advisory committees, representative of management and labour in equal numbers, and with the assistance of outside consultants, have been set up in many parts of the country¹. The Work Projects Administration (in the Federal Works Agency) has co-operated with the United States Office of Education in carrying out the emergency national defence training programme and has also co-operated with employers and trade unions in the various localities, and both the National Youth Administration and (to some extent) the Civilian Conservation Corps have developed training and works programmes.

An important agency in the organisation of the employment market for defence is the United States Employment Service in the Federal Security Agency. The Employment Service is advised by a tripartite Federal Advisory Council composed of equal numbers of representatives of employers and workers and, in addition, of persons representing the general public (drawn from groups dealing with problems of employment and training)². State Employment Services are required to establish advisory councils composed in the same way as the Federal Advisory Council, and, at the beginning of the defence programme, all States were urged to bring their advisory councils to full strength and effectiveness. Moreover, tripartite advisory councils to local employment offices have also been set up in many communities in order to assist in the development and execution of labour supply policy.

(b) *Labour Relations*. A separate Labor Relations Branch in the Labor Division is primarily concerned with the prevention of industrial disputes and with the determination of standards of working conditions. Its staff includes twelve A F of L. members and eight C I O members and a panel of about thirty management

¹ In May 1941, it was stated that "more than 1,300 national, State, and local committees are now co-operating with school authorities throughout the nation on the development of the training programme" (O P M Labor Division, Release of 7 May 1941).

² The Wagner-Peyser Act, establishing the U S Employment Service on a Federal-State basis, requires the existence of Federal and State tripartite advisory councils as a condition for the receipt of Federal funds, and the Act recommends the establishment of local advisory councils.

representatives The Branch works in close co-operation with the Department of Labor and with the National Defense Mediation Board (described below)

(c) *Priorities* A Priorities Branch, charged with protecting labour interests affected by the imposition of priorities, was set up in January 1941 in the Labor Division It was reorganised in August 1941 to deal with the new problems created by the dislocation resulting from shortages and curtailment required by the necessity of providing materials for the defence industries The problem of the orderly transfer of workers from non-defence to defence jobs is being carried out on an industry-by-industry basis through tripartite conferences organised by the Labor Division Furthermore, the Priorities Branch itself includes representatives of the A F of L and of the C I O¹

(d) *Advisory Committees* The Labor Division is seeking to develop joint collaboration between the employers and workers in particular industries which are confronted with defence problems For this purpose a series of defence labour advisory committees is being set up, industry by industry, by the Labor Division, particularly to deal with similar defence industry advisory committees, composed of representatives of management, set up by the Production Division of the O P M A Defense Labor Advisory Committee Section in the Labor Division is directly responsible for the work of the committees These committees as well as the special tripartite conferences will be described below since they deal with the problems of particular industries

Production and Material Divisions of the O P M.

With the reorganisation of the defence programme in January 1941, the National Defense Advisory Commissioner responsible for

¹ In discussing the Priorities Branch, the Director of the Labor Division (who is the Associate Director-General of the Office of Production Management) stated "There is room for unlimited initiative on the part of labour leaders in working out ways to prevent dislocations These are some of the things you, as a worker, can help us do (1) Use your influence to help in the programme to increase the number of sub-contractors to keep the firms affected by priorities operating (2) Suggest any ideas you have about substitutes that might be used for the raw materials we need so badly (3) Work with us in increasing the number of schools for retraining workers who must find jobs in new industries (4) Help manufacturers whose production will be cut to adapt their machines and factories to defence work" He then explained that suggestions should be sent from local offices to the national office of the A F of L, the C I O, or the Railroad Brotherhoods, which would send the suggestions to the representative of the respective group in the Priorities Branch Cf *Defense*, 5 August 1941

industrial production was named Director-General of the Office of Production Management, and a Production Division was set up within the O P M. The responsibilities of the Production Division include problems of plant expansion, adaptation of existing plant facilities, building of new factories, and allocation of defence contracts.

In order to advise "as to industrial planning during the emergency and as to post-emergency readjustments", and "to make recommendations with respect to planning and present and future production both for defence and civilian requirements", a Production Planning Board has been appointed to advise the Production Division. The Board consists of representatives of the Army and Navy, of industry and labour and of scientific research.¹

At the end of August 1941 the Production Division was re-organised as part of the general move to expedite production. Problems of material supply were separated from those of the supply of finished products, and two Divisions were established, which will be known as the Production Division and the Materials Division. The former will be concerned with the fabrication and delivery of finished articles, while the latter will have charge of the delivery of raw materials.

The Production Division makes extensive use of the technical knowledge of industrial executives and of men trained in industry and in general represents the production point of view, bringing industrial collaboration into the defence machinery. While its work has come under the general supervision of both the Director-General of the O P M (a prominent industrialist) and of the Associate Director-General (a prominent trade unionist), it has not provided directly for the collaboration of trade unionists within its own structure.

Purchases Division of the O P M

In order to co-ordinate the placing of major defence orders and contracts and to advise the War and Navy Departments on planning schedules for the purchase of defence materials, a Purchases Division was established within the Office of Production Management, taking over the duties of the former Co-ordinator of National Defense Purchases of the National Defense Advisory Commission. An Advisory Committee to the Division of Purchases represents various

¹ Cf. *Defense*, 25 Feb 1941. The Board was appointed on 20 Feb

branches of industry and includes in an advisory capacity members of the staff of other Divisions concerned with questions of labour, prices, transportation, warehousing, agriculture, and consumers

A Plant Site Board was appointed as part of the Purchases Division to review proposals for the location of additional plants or facilities required for national defence. Recognising the diversity of interests in the problem of plant site location, this Board was composed of representatives of each of the divisions directly concerned with agriculture and labour matters, a special assistant on labour relations, the Chief of the Aircraft, Ordnance, and Tools Branch of the Production Division, and the Chairman of the Production Planning Board¹. The Board considers not only the suitability of the location with reference to engineering and defence requirements, but also takes into account questions of labour supply and housing

*Priorities Division of the O P M and the
Supply Priorities and Allocations Board*

The problems of determining the relative priority of defence orders and of securing prompt delivery of materials essential to national defence have become increasingly numerous and complex as defence needs have expanded. Voluntary priorities machinery was in operation until the spring of 1941, but, since this proved inadequate, an Act was adopted by Congress to permit the assignment of mandatory priorities to any contract or subcontract or order which the President considers to be of vital importance to the defence programme². The statutory authority for the priorities system was delegated by the President to the O P M and vested in the Priorities Division³.

The Priorities Division of the O P M is advised by priorities committees, the members of which are appointed for their technical knowledge and familiarity with the industries concerned. In addition, special consultants on labour, prices, consumer interests, and agriculture have been appointed to the staff of the Priorities Division to ensure that the special problems concerned are given adequate consideration before a priority order is issued. From the outset,

¹ The Plant Site Board replaces an earlier Plant Site Committee and co-operates with the Plant Site Boards of the Army and Navy, and emphasises in its recommendations for expediting defence production the appropriate military factors, the geographical decentralisation of defence industry, and the full employment of all available labour and facilities

² Public No 89, approved 31 May 1941

³ Cf Release of the Division of Priorities, 3 June 1941

efforts were made to secure liaison between the Division and the various other branches of the national defence organisation, and to ensure that the varying interests throughout the country should participate in the decisions that so vitally affect the whole economic structure. The increasing complexities of the defence organisation, however, brought conflicting developments and difficulties as the defence effort got under way. In consequence, a reorganisation took place in August 1941, which affected the functions of the Priorities Division and the whole priorities machinery of the defence programme.

A Supply Priorities and Allocations Board has been set up in the Office for Emergency Management to replace the Priorities Board.¹ It consists of the Director-General and Associate Director-General of the Office of Production Management, the Secretary of War, the Secretary of the Navy, the Special Assistant to the President supervising the Defense-Aid Program, the Administrator of the Office of Price Administration, and the Chairman of the Economic Defense Board. The latter, who is also Vice-President of the United States, has been named Chairman of the Board.² The Board has been made responsible for co-ordinating the activities of the several departments and agencies relating to priorities, with a policy "designed to broaden and accelerate the defence programme and to make it more immediately effective". The Board determines the total requirements of materials and commodities needed respectively for defence, civilian, and all other purposes, and establishes policies for the fulfilment of such requirements and, where necessary, makes recommendations to the President.³

¹ The Priorities Board of the National Defense Advisory Commission had been transferred to the Office of Production Management in January 1941 and the Director-General and the Associate Director-General of the O P M joined it as *ex-officio* members. The Board was abolished by an Executive Order of 28 August 1941, its functions being taken over by the newly established Supply Priorities and Allocations Board. Cf. Executive Order, *Delegation and Co-ordination of Priority Authority*, No. 8875, 28 Aug. 1941.

² The Executive Director of the Board is the Director of the Division of Priorities.

³ In describing the Order creating the new Board, the President outlined the distribution of the various functions: "The actual administration of these policies by way of issuance of priority certificates for the various purposes will be carried on through the appropriate divisions of O P M. It is, of course, not contemplated that this Board actually will pass on specific priority applications which are filed by the thousands every week. That will continue to be done in the Priorities Division. Only broad policies and general regulations for priorities and allocation will be determined by the Board, and pursuant to these policies and regulations the actual day-by-day administration of specific priorities will be carried out by the Priorities Division." *New York Times*, 29 Aug. 1941.

Division of Contract Distribution of the O P M

In execution of a policy of increasing production by spreading defence contracts more widely throughout the country, a new Division of Contract Distribution was established in September 1941 to take over the work formerly carried on by the Defense Contracts Service of the Production Division. This Service was initiated in the early stages of the national defence programme as a result of suggestions made by organised labour that efforts should be made to utilise vacant plant facilities and "ghost towns", and a series of regional offices was organised.¹ As the urgency of production needs increased, the problems of the distribution of contracts and sub-contracting have become increasingly important. Consequently, an independent Division of Contract Distribution was set up, charged specifically with the responsibility of accelerating defence production to the maximum through spreading contracts more widely among the smaller businesses throughout the nation. The Division of Contract Distribution will co-operate with the Labor Division's efforts "toward re-employment of employees of plants whose production has been curtailed by priorities and material shortages". For this purpose a member of the Labor Division staff will be assigned to the main office and to the field offices of the Division of Contract Distribution. Industrial and production engineers, economists, statisticians, and technical personnel will be included on the staff, while in addition it will be assisted by two advisory committees composed respectively of small business organisations and industrial, management, and production engineers.²

Division of Civilian Supply of the O P M

As the defence programme has developed, the problems connected with continuing adequate civilian supply and, at the same time, of bringing about the necessary curtailment of production for civilian consumption have become more important. Under the original organisation of the National Defense Advisory Commission, there had been a Consumers' Protection Division and a Division of Price Stabilisation. These were merged in April 1941 in an Office

¹ Originally known as the Office of Small Business Activities, the Defense Contracts Service was transferred from the Co-ordinator of National Defense Purchases to the Division of Production, in Aug 1941 it was made an independent service and on 4 Sept 1941 an Executive Order, No 8467, made it an independent division.

² Cf Executive Order No 8467 and accompanying statement by the President issued 4 Sept 1941.

of Price Administration and Civilian Supply (O P A C S) directly under the Office for Emergency Management The O P A C S had the double responsibility of determining price policy and of providing for an equitable distribution of the residual supply of materials and commodities for civilian use

In carrying out its functions O P A C S had set up a number of panels, which did not include labour representatives and were frequently composed of different industrial representatives from those serving on the various industry committees of the O P M Conflicting policies tended to develop between the production, material supply, and priority control of the O P M , and the price control and control of civilian consumption of the O P A C S A change was therefore made in the administrative structure by an Executive Order of 28 August 1941¹ A new Division was set up within the O P M , known as the Division of Civilian Supply, which takes over the civilian supply responsibilities of the O P A C S The general policy governing civilian supply allocation will be regulated by the Supply Priorities and Allocations Board (described above), while the Division of Civilian Supply under the general direction of the Board will represent, within the O P M , civilian interests relating to the supply priority activities of the O P M as a whole

Industrial Branches of the O P M and the Bureau of Clearance of Defense Industry Advisory Committees.

In June 1941, Commodity Sections were set up within the O P M in order to achieve "a close and unified working relationship between the members of the several divisions of the O P M which are concerned with the same commodity or material, and efficient liaison between defence agencies and industry" In September these were reorganised as Industrial Branches The Chiefs of the Industrial Branches are the Directors of O P M Divisions² Each Branch handles all O P M problems for a particular commodity or industry, and is composed of representatives of each of the Government agencies concerned Consultants of the staff of the Labor Division of the O P M serve on the Industrial Branches, as do members of the Office of Price Administration (see below) Each industry establishes contact with the Industrial Branches through a Defense

¹ Executive Order No 8875

² Cf Release of the Office of Production Management, 10 Sept 1941 There are 28 Industrial Branches assigned among the Divisions of Production, Purchases, Civilian Supply, and Materials

Industry Advisory Committee selected by the O P M from men nominated by the industry concerned These Committees are centralised through a Bureau of Clearance

Office of Price Administration

The new Office of Price Administration continues the work of the former O P A C S in the field of price administration An Advisory Price Administration Committee, which had been set up under the O P A C S, includes in its membership (in addition to the Secretaries of the Treasury and of Agriculture, and the Chairmen of the Tariff Commission and of the Federal Trade Commission) the Director-General and the Associate Director-General of the O P M, thus giving some representation to the industry and labour points of view The staff of the Labor Division of the O P M is also consulted on particular problems to an extent that varies with the circumstances

The relationship of price control and administration to wage policy has not yet been clearly defined, although its importance was brought out in discussions of the Emergency Price Control Bill submitted to Congress late in July It has been recognised, however, that any national wage policy demands for its successful application the full co-operation of employers and workers In the special message submitted to Congress on 30 July, President Roosevelt stated

"There will always be need for wage adjustments from time to time to rectify inequitable situations But labour as a whole will fare best from a labour policy which recognises that wages in the defence industries should not substantially exceed the prevailing wage rates in comparable non-defence industries where fair labour policies have been maintained I recognise that the obligation not to seek an excessive profit from the defence emergency rests with equal force on labour and on industry, and that both must assume their responsibilities if we are to avoid inflation I also recognise that we may expect the wholehearted and voluntary co-operation of labour only when it has been assured a reasonable and stable income in terms of the things money will buy and equal restraint or sacrifice on the part of all others who participate in the defence programme"¹

COLLABORATION IN DETERMINING CONDITIONS OF EMPLOYMENT

Continued efforts have been made to eliminate labour disputes in defence industries The Labor Policy Advisory Committee of

¹ *New York Times*, 31 July 1941

the Labor Division endorsed the appeal by the President "that nation-wide machinery for conciliation and mediation be employed to prevent interference with production of materials essential to our Nation's security"¹

In a broadcast on Labor Day, 1941, the Secretary of Labor discussed the role of labour in defence, stating "that responsibility calls for co-operation by labour with employers and with all responsible groups to avoid delays and interruptions in defence work. Differences of opinion will always arise with regard to wages, hours, and working conditions and even the status of trade unions but there is adequate machinery set up to handle and to adjust industrial disputes and it should be promptly utilised by the parties concerned rather than taking recourse to methods bringing about a stoppage of work"²

The establishment of conditions of employment throughout the country has been determined to an increasing extent by collective bargaining. Serious efforts have been made both by labour and by employers to come to agreements that make possible the prevention of disputes. Assistance in making agreements, and in providing for machinery for the settlement of disputes, has been made available by the various agencies of the Office of Production Management and by the Department of Labor. The investigators of the Labor Division (Labor Relations Branch) of the O P M seek to ascertain where disputes may arise in any branch of defence industry and to intervene to prevent their development. The Conciliation Service of the Department of Labor has continued its work throughout the country and has more than doubled the number of its Conciliators. Tripartite conferences in particular industries have led to agreements which, in most cases, include voluntary provisions for the use of conciliation and arbitration machinery in the settlement of disputes.

National Defense Mediation Board

As part of the nation-wide effort to avoid, as far as possible, disputes in defence industry and "to assure that all work necessary for national defence shall proceed without interruption and with all possible speed", the National Defense Mediation Board was set up on 19 March 1941, within the Office for Emergency Management. The National Defense Mediation Board was originally composed of

¹ Cf. *Defense*, 24 June 1941

² *New York Times*, 2 Sept 1941

eleven persons, appointed by the President, of whom three represent the public, four the workers, and four the employers. While the Board is independent both of the Office of Production Management and of the Department of Labor, it works closely with both. The Secretary of Labor certifies to the Board cases which threaten "to burden or obstruct the production or transportation of equipment or materials essential to national defence (excluding any dispute coming within the purview of the Railway Labor Act as amended) and which cannot be adjusted by the Commissioners of Conciliation of the Department of Labor"¹

The work of the National Defense Mediation Board has expanded steadily, and in order to deal with the increased number of disputes that have been brought before it, its membership has been enlarged by the appointment of ten additional labour, five management, and three public representatives as alternate members.² In order to handle a number of disputes at a time, it makes use of panels of one employer, one worker, and one public representative who acts as chairman. The procedures of the Board and the methods of certification of cases have been subject to modification so as to make possible expeditious handling of the work, to permit early hearings and to eliminate unnecessary delays.

Initially, the Board was concerned primarily with disputes which had actually reached the stage of strikes or threat of strikes but

¹ Executive Order No. 8716 *Establishment of National Defense Mediation Board* 19 March 1941. A further Executive Order, No. 8731 of 4 April 1941, amending the Order creating the Board, provides for the appointment of alternate members to each of the regular members. The functions of the Board are defined as follows:

(a) To make every reasonable effort to adjust and settle any such controversy or dispute by assisting the parties thereto to negotiate agreements for that purpose,

(b) To afford means for voluntary arbitration with an agreement by the parties thereto to abide by the decision arrived at upon such arbitration, and, when requested by both parties, to designate a person or persons to act as impartial arbitrator or arbitrators of such controversy or dispute,

(c) To assist in establishing, when desired by the parties, methods for resolving future controversies or disputes between the parties, and to deal with matters of interest to both parties which may thereafter arise,

(d) To investigate issues between employers and employees, and practices and activities thereof, with respect to such controversy or dispute, conduct hearings, take testimony, make findings of fact, and formulate recommendations for the settlement of any such controversy or dispute, and make public such findings and recommendations whenever in the judgment of the Board the interests of industrial peace so require,

(e) To request the National Labor Relations Board, in any controversy or dispute relating to the appropriate unit or appropriate representatives to be designated for purposes of collective bargaining, to expedite as much as possible the determination of the appropriate unit or appropriate representatives of the workers.

² The selection of the regular and alternate labour members was made after nomination by the A F of L, the C I O, and the Railroad Brotherhoods.

its functions have gradually extended to include consultation of the Board on the adjustment of pending disputes before there is any actual danger of a strike or a lock-out. If agreement is not reached between the parties by its own mediation activities, the Board proposes voluntary arbitration. If this procedure is not accepted by both parties, the Board makes findings and recommendations on the basis of fact-finding investigation. In commenting upon the work of the Board, a trade union leader has written "The work of the National Defense Mediation Board is a healthy and encouraging demonstration of the value of democratic co-operation among labour, management, and Government in the interests of the national welfare"¹

Department of Labor

The Department of Labor is concerned with many aspects of the defence programme. It provides the research facilities and statistical analyses required for the determination of fair working conditions and for the framing of labour supply policy; it makes available the technical knowledge and experience of its personnel in the protection of particular classes of workers (women and children for example); it furthers tripartite collaboration both through the continuation of the normal processes of consultation, the use of its regular committees (for example, the Federal Committee on Apprenticeship, and the special industry committees of the Wage and Hour Division and the Public Contracts Division), and through the establishment of special representative committees to deal with urgent defence problems.

In order to prevent accidents in the defence programme and control work disabilities which cause interruptions in production and impede deliveries, the Secretary of Labor appointed, in mid-1940, a National Committee for the Conservation of Manpower in Defense Industries. The Committee is composed of twenty-two members including safety experts from private industry, representatives of organised labour (chosen both from the A F of L and the C I O), State officials administering safety and health laws, and officials of the Department of Labor. The Committee's activities supplement rather than replace the State and local safety and health regulations. Eight members of the National Committee have been designated as regional representatives to promote the programme in

¹George MEANY "Four Months of Defense Mediation", in *The American Federationist*, Aug 1941

strategic industrial regions and to maintain contact with State labour officials, representatives of organised labour, and others, in connection with the regional programme. The Division of Labor Standards of the Department of Labor provides a clearing-house and serves as a liaison unit between the regional and local representatives and the Public Contracts Division of the Department of Labor which furnishes to the National Committee a record of each contract as it is awarded ¹

The Women's Bureau of the Department has assisted the O P M to formulate standards for the employment of women workers brought into the defence industries. In this work it relies to a large extent on the advice of representatives of trade unions which include large numbers of women in their membership.

The Bureau of Labor Statistics provides research studies on matters of direct interest both to labour and to management, including studies of collective agreements, hours, wages, and the cost of living, and has extended its range of studies to cover the major defence industries. It thus makes available the factual information on which policy is based.

COLLABORATION IN PARTICULAR INDUSTRIES

With a view to facilitating efficient production and, at the same time, maintaining fair and reasonable labour standards, the Labor Division of the O P M encourages labour-management collaboration in individual defence industries.

Industry Stabilisation Committees

The first step taken to deal with the problems of individual industries on a tripartite basis concerned the shipbuilding industry. On 27 November 1940, the Labor Division established a Shipbuilding Stabilisation Committee, composed of representatives of organised labour, shipbuilding employers, and the Navy and the Maritime Commission, meeting under the chairmanship of the Industrial Consultant of the Labor Division. The Committee has undertaken detailed investigations of wage rates and working conditions, with particular emphasis on the migration of workers from yard to yard and the effect of this migration upon production. The work of the Committee is carried out on a regional basis through the convening

¹ UNITED STATES DEPARTMENT OF LABOR, DIVISION OF LABOR STANDARDS *Conserving Manpower in Defense Industries*, Special Bulletin No 4, 1940

of regional tripartite conferences and the appointment of regional sub-committees for the Atlantic, the Gulf, the Pacific, and the Great Lakes, with the function of "establishing standard wage rates for all companies in their respective regions as well as uniform working conditions and grievance procedures" When conferences agree on zone standards, these are made the standards for companies in an area and all employers and unions within the particular area incorporate these zone provisions in their collective bargaining agreements Regional stabilisation agreements cover practically the whole ship-building industry¹

The use of tripartite committees for stabilisation of conditions of work has also been planned for the aircraft industry; and preliminary discussions of the possible application of the same procedure to the aircraft plants in Southern California were held in August and September 1941

A further development along the same lines has taken place in the building industry Conferences were called between the various Government agencies—the Army, Navy, Maritime Commission, the Federal Works Agency—and the most important labour organisations involved in construction projects relating to defence A stabilisation agreement was reached between the Government defence agencies and the Building and Construction Trades Department of the A F of L which will directly affect more than 800,000 building trades workers The agreement provides for a stabilisation of wages and working conditions on defence projects and agrees that there shall be no stoppages of work on account of jurisdictional disputes or for any other cause, while all grievances and disputes shall be settled by conciliation and arbitration A Board of Review was constituted under the agreement, consisting of a representative of the Government agencies, a representative of the Building and Construction Trades Department of the A F of L, and a representative of the O P M The function of the Board is to interpret the provisions of the agreement and to adjust disputes arising under it, its findings are binding on the parties to the agreement

In addition to stabilisation conferences for particular industries, other proposals have been put forward for solving the problems of individual defence industries on a tripartite or joint basis Suggestions for the development of committees have been made both by defence agencies and the trade union movement

¹ Cf *Defense*, 1 and 22 July and 12 Aug 1941

O P M Advisory Committees

The Office of Production Management has, as was already indicated, established Industrial Branches within the O P M which work through separate defence industry advisory committees and defence labour advisory committees¹ The methods of setting up these committees and the functions which they can serve have been carefully determined and specifically restricted in order to avoid any possible conflict with the anti-trust laws of the United States

A defence industry advisory committee may be set up whenever the Chief of an Industrial Branch of the O P M indicates that it is desirable to form such a committee and that there will be no overlapping with any existing committee The selection of the members of a defence industry advisory committee may be in accordance with either of two procedures the competent official (the Government presiding officer of the defence industry advisory committee) may (1) call for an election by the companies within the industry, or (2) call to Washington a representative group from the industry for the purpose of nominating members to the defence industry advisory committee, in which case the Government presiding officer selects the members from the names suggested by the group In either case the O P M may designate such additional members as are deemed necessary in order to make certain that the committee is, as nearly as practicable, representative of the industry as a whole Members are not nominated by trade associations, or named as trade association representatives, but in each case care is taken that the committee shall be representative of the geographic distribution of the industry, of the various sizes of undertakings covered, and shall include both firms which are members of trade associations and those which are not

When a defence industry advisory committee has been set up it is called to meet in Washington under the chairmanship of a Government presiding officer with Government consultants, representing each of the divisions of the O P M, and any other agencies of the Government which are invited to attend a meeting These officials, plus the industry committee, when meeting under the chairmanship of a representative of an Industrial Branch, constitute what is known as a defence commodity group

¹ The President of the C I O has protested against the establishment of the O P M committees In an address to the Congress of Industrial Organizations he asked for and received a vote supporting his views on opposition to the committees In addressing the meeting, he stated "I think the labor advisory set-up is an abortive measure" Cf Address by President Philip Murray on Industry Council Plan, 7 July 1941

The functions of the defence industry advisory committees are to discuss freely any subject pertinent to the defence programme at meetings called in accordance with the established procedure, to collect and furnish information relating to the industry to the Office of Production Management when requested to do so by the Government presiding officer, to advise on any matter raised by the Government presiding officer or by any Government consultant who may be present at a meeting of a defence commodity group, to make recommendations to the Government presiding officer when requested by him to do so. A defence industry advisory committee cannot take any decisions either in regard to action to be taken or to the execution of policy discussed at a meeting. All administrative and executive responsibility remains with the Industrial Branch of the O P M.¹

The defence labour advisory committees are set up and function in a similar manner to that of the defence industry advisory committees. A defence labour advisory committee may be set up whenever the Director of the Labor Division considers that such a committee would serve the interests of national defence. In such case, he invites labour organisations in an industry in which there is an Industrial Branch of the O P M. to nominate delegates to comprise the membership of a defence labour advisory committee, the Director of the Labor Division then appoints the members of the committee. In practice, nominations are secured from the American Federation of Labor and from the presidents of the individual industrial unions affiliated to the Congress of Industrial Organisations. As in the case of the industry committees, the labour committees act in an advisory capacity and may not undertake to determine policies for the industry.²

Defence industry advisory committees have, in fact, been set up more rapidly than have defence labour advisory committees. Industry committees have been set up, for example, in the electrical manufacturing industry, in the automobile industry, in the cork industry in the steel industry, in the steel valve industry, in the copper and zinc industry, in the rubber industry, in shoes, leather products, hides, skins, and leather trades, in the pulp and paper industry, and in the paint industry. Defence labour advisory committees have been set up for the rubber industry and for three branches of the paper

¹ Cf Regulation No 7 of the O P M., *Defense Industry Advisory Committees Authorising their Formation and Regulating Their Operation, and Establishing a Bureau of Clearance of Defense Industry Advisory Committees and Prescribing its Duties and Functions*, 24 June 1941

² Regulation No 8 of the O P M., *Defense Labor Advisory Committees, Authorising their Formation and Regulating their Operation*, 8 July 1941

industry, namely primary pulp and paper, converted paper products, and printing and publishing, and the automobile industry. Plans are under way for the appointment of committees for the aluminium industry, the furniture industry, and durable consumer goods, and preliminary discussions have taken place in regard to the setting up of a steel committee¹

The operation of the defence industry and labour advisory committees of the O P M furnishes an example of a new form of collaboration in the United States. In general, the committees have met separately up to the present time, but recently a sub-committee on labour problems that was set up by the Rubber Defense Industry Advisory Committee met jointly with a sub-committee of the Defense Labor Advisory Committee. At this meeting there was a discussion of the problem of the allocation of rubber amongst different firms and plants and the effect of such allocation on problems of employment²

Industry Conferences

In contrast with the formal defence industry and labour advisory committees, joint and tripartite collaboration has been secured both on an industry and a regional basis through the convening by the Government of informal meetings of employers and workers.

For example, a joint conference was held in July 1941 of representatives of both industry and labour in the passenger and motor truck branches of the automobile industry in order to discuss the problems of curtailment of the industry and the methods of converting the industry to urgent defence requirements.

At a conference held in Buffalo, New York (where employees of the Chevrolet plant had been laid off to permit the plant to be converted to aeroplane production), machinery was set up for

¹ Six representatives of the C I O and one of the A F of L have been named to the Rubber Committee, the A F of L is represented on all the Paper Committees, while the C I O has only named representatives to the Converted Paper Products Committee. In the automobile industry it is possible that there will be separate A F of L and C I O Committees.

² The sub-committee gave consideration to suggestions that had been made at a meeting on 30 July of the Defense Labor Advisory Committee which had declared that supplies should be allocated on a plant-by-plant basis as well as on the current company-by-company basis. The Committee declared that otherwise parent companies may make allocations which may cause undue labour displacement and distress in some areas. (Cf *Defense*, 5 Aug 1941.) The Committee also proposed that seniority programmes should be worked out by joint sub-committees of the defence labour and industry advisory committees and that workers displaced by application of priority restrictions should be given preference by other plants hiring new help, such arrangements to be accomplished by the co-operation of labour, industry, and Government agencies.

Government, management, and labour co-operation in dealing with the re-employment and training of the displaced automobile workers. This plan, now known as the Buffalo Plan, has been considered a national model for overcoming unemployment created by the shut-down of non-defence plants. As a consequence of the Buffalo meeting, a plan was worked out by the United Automobile Workers of America, after consultation with the O P M and with the O P A C S, providing for a cut in passenger-car production of 26½ per cent and for the necessary re-hiring and retraining of automobile workers. The plan has been accepted by management as well as by the Government authorities concerned, and according to the Associate Director-General of the O P M will be put into effect with the co-operation of the Labor Division and of other agencies. The plan includes the creation of State and local committees to solve re-employment problems on a regional and community basis and close co-operation between the United Automobile Workers' Committees and the Regional Labor Supply Committees of the Labor Division.¹

A conference similar to the initial Buffalo meeting was held in Cleveland, Ohio, where shortages of aluminium for civilian use led to the dismissal of thousands of workers in the plants.

An analogous procedure has been applied in dealing with problems arising in the silk industry. A conference was held on 1 August, attended by labour leaders from both the C I O and the A F of L and management representatives, under the chairmanship of a member of the Labor Division of the Office of Production Management, to discuss the employment problems resulting from the lack of raw silk and the imposition of priorities. The conference discussed a plan proposed by the President of the United Textile Workers' Union including specific proposals for shifting displaced silk workers into defence jobs and providing relief for them during the transition period. The conference proposed the appointment of a committee representing industry, labour, and Government to survey the acute situation and make specific proposals for action. Subsequently a Silk Advisory Committee was set up, composed of both A F of L and C I O textile union leaders, to discuss the problems growing out of labour dislocation in the silk industry. This Committee has adopted a programme which includes (1) application to the silk industry of the Buffalo Plan, (2) formulation of a national policy providing for the training, retraining, and placement of labour dislocated either by curtailment of silk supplies, shortages of other yarns, or by the closing of plants during re-tooling periods, (3)

¹ Cf. *Defense*, 26 Aug. 1941

regional conferences of representatives of labour, industry, and Government to discuss the peculiar problems arising from such dislocation in particular areas, (4) a comprehensive study of industry needs, aimed at achieving an equitable distribution of substitute yarns, including nylon and rayon, among factories¹

Tripartite machinery of the kind proposed for silk and for automobiles may be applied in other industries, particularly those in which questions of priority unemployment threaten to be most severe

Trade Union Proposals

Proposals for dealing with individual industries and for implementing the procedures for collaboration in the defence programme have been made both by the A F of L and the C I O

The American Federation of Labor has suggested the creation of separate labour and industry advisory boards, wholly outside the defence structure, which would co-operate with Government agencies and present the labour point of view in regard to specific issues arising in the defence programme. It has particularly emphasised the importance of local and regional co-operation. In application of its suggestions, the American Federation of Labor set up, in July 1941, a National Defense Committee². At the same time, it called upon its central labour unions throughout the country to establish local defence committees. The main purpose of these committees is to provide "an organised, co-ordinated channel through which labour can render service to the national defence programme"³. The National Defence Committee has been particularly concerned with problems arising from the imposition of priorities and with methods of defence training. The Committee has urged all union officials to keep close contact with the Division of Contract Distribution of the O P M and to urge the use of sub-contracting in local areas. At the same time it has urged the local defence committees to work with the local Employment Offices of the United States Employment Service. The National Committee has also called particular attention to the work of the Federal Committee on Apprenticeship and to the vocational courses provided through the public schools under the United States Office of Education⁴.

¹ *Defense*, 19 and 26 Aug 1941

² The Committee consists of a Chairman and seven members, with four alternates

³ A F of L Press Release of 4 July 1941

⁴ Cf Bulletin No 1 *Priorities*, and Bulletin No 2 *Defense Training*, issued by the A F of L Committee on National Defense 30 July 1941

The plans that have been outlined by the C I O call for the establishment of defence industry councils, composed of equal numbers of representatives of labour and management with a representative of the Government as Chairman, which would be directly responsible for the management of each of the defence industries. The responsibilities of the council in each industry would include the allocation of orders, determination and allocation of expansion needs, scheduling of production rates, imposition of priorities, settlement of industrial relations, and determination of labour supply. A co-ordinating and policy-making Board, also tripartite in structure, was proposed to co-ordinate the work of the individual councils. Specific plans for the application of the industrial council idea to aeroplanes, steel, and automobiles were worked out by the union leaders of these industries. No action was taken at that time, however, either by the Government or by industry to put the plan into operation ¹

EXTENSION OF COLLABORATION IN THE SOCIAL FIELD

The defence programme has given rise to a number of social issues which have been dealt with largely through Government agencies but which have also involved a considerable extension of employer and worker collaboration. Outstanding examples of these issues are the closely-related questions of defence housing, recreation, and nutrition "

Division of Defense Housing Co-ordination

General responsibility for planning and co-ordinating the execution of defence housing rests with the Division of Defense Housing Co-ordination, which was established in January 1941 within the

¹The C I O plan was submitted to the President of the United States in March 1941 in the form of a memorandum from the President of the C I O. Speaking about the plan, in an address delivered in July 1941, Mr Philip Murray stated "The functions of labour and industry and Government in each of these councils would be to provide the proper allocation of goods produced within each industry, to prevent through proper administration the discriminatory practices heretofore exercised by certain Government agencies in the distribution of business. The industry councils would necessarily establish within industry proper joint constructive collective bargaining arrangements to see to it that the Wagner Act was respected in all of its provisions and that each joint industry council would be given the utmost latitude in making proper disposition of each labour industry question which was presented to it. There is no relationship between the industry council plan conceived by the national C I O and the plan of industry labour advisory groups contemplated by the Office of Production Management "

Office for Emergency Management, taking over the activities of the former Office of the Defense Housing Co-ordinator set up by the Advisory Commission to the Council of National Defense¹ The functions of the Co-ordinator include the utilisation of the services and operating facilities of a number of departments and establishments of the Government, and particularly of the Federal housing agencies, in order to formulate a co-ordinated programme which should avoid shortages, delays, duplication, and overlapping in defence housing The Defense Housing Co-ordinator also facilitates the execution of approved housing programmes through private industry or through appropriate governmental agencies, and takes steps to eliminate obstacles which impede the provision of defence housing

In carrying out his functions, the Defense Housing Co-ordinator has utilised various committees and suggestions made both by private industry and by various groups of organised labour The A F of L and the C I O are represented in the Office of the Defense Housing Co-ordinator and have been given full opportunity to consult and make their views known Home Registration Offices have been set up by the Defense Housing Co-ordinator in communities affected by defence, and labour representation is being provided on home registration committees in every community The American Federation of Labor's local housing committees, the work of which is co-ordinated nationally by the Housing Committee of the American Federation of Labor, provide a channel for information, representation, and action on matters pertaining to housing throughout the country The Housing Committee of the American Federation of Labor has been particularly concerned with rent control, and has placed in the hands of local housing committees model rent control laws designed to prevent rent profiteering In addition, it has been concerned with the housing needs brought by the shifting distribution of defence contracts and has co-operated with the Defense Housing Co-ordinator in organising local area plans¹

However, in spite of the development of housing projects under the Defense Housing Co-ordinator and of the efforts of some of the unions, there have not been a sufficient number of low-rent housing facilities provided to meet the urgent defence needs in certain areas A certain number of the C I O unions, and particularly the United

¹ Executive Order No 8632, dated 11 Jan 1941

² *The American Federationist*, Aug 1941

Automobile Workers, have developed plans for the establishment of a housing corporation owned by a local union¹

The CIO has been particularly interested in mass production techniques for defence housing. The Housing Committee of the CIO proposed to the Defense Housing Co-ordinator early in January 1941 that there should be an extension in the use of pre-fabricated houses²

Office of Defense, Health, and Welfare Services

Responsibility for a large number of social problems, and particularly for such questions as recreation and nutrition, belongs to the Office of Defense, Health, and Welfare Services, under the direction of the Federal Security Administrator. The functions of the Office include social protection to individuals in communities suffering disproportionate burdens as a result of defence activity, assisting civilian agencies and individuals in making an effective contribution to the health, welfare, and morale of men engaged in military service, and promoting the health, security, and morale of the civilian population as an essential part of effective defence.

An important step in carrying out the social welfare duties of the Co-ordinator on a tripartite basis was the convening, on 11 July 1941, of a Conference on Recreation for Defense Workers. The Conference brought together representatives of labour, industry, national voluntary organisations, and the Federal agencies concerned in meeting the leisure-time needs of workers. The recommendations of the Conference included the statements that over-all planning for recreation by all groups concerned, including public and private agencies, industries, unions, and leading citizens, is necessary in each

¹ *The CIO News*, 18 Aug. 1941. The plan calls for the establishment of a corporation of which residents of the homes will be stockholders. The corporation, which would usually be sponsored by or closely linked to the sponsoring union, would enter into a contract with the Government for the construction of the homes, the Government providing the funds necessary and retaining the management of the corporation until the risk was sufficiently secured. Workers occupying the homes would then buy a specified amount of stock each month, which would constitute rent as well as payment on the purchase price.

An interesting example of a CIO project is the Camden Plan, which is financed by the Government under a co-operative arrangement permitting workers to pay rent by the purchase of shares which gives an equity that can be sold in case the worker desires to leave the house and which otherwise would result in ultimate ownership of the house by the worker. This plan has been worked out by the Camden local and the national office of the Industrial Union of Marine and Shipbuilding Workers of America, the Housing Committee of the CIO, and officials of the Federal Works Agency.

² Cf. Release of the Congress of Industrial Organizations, 24 Jan. 1941.

community, and that industries—employers and employees—should, in addition to whatever they might do for their own plants, have a responsibility for the promotion of adequate community recreation¹

Problems of nutrition have also been dealt with as part of the functions of the Office of Defense, Health, and Welfare Services. A National Nutrition Conference for Defense which met in Washington in May 1941 was attended by 900 delegates from all parts of the country and included, in addition to leaders in nutrition, medicine, public health, education, home economics and social welfare, representatives of agriculture, consumers, labour, industry, and Government. The conference adopted a series of recommendations concerning standards of nutrition and health designed "to make America strong for military and social defence"²

Office of the Co-ordinator of Inter-American Affairs

On 30 July 1941 the President established within the Office for Emergency Management an Office of the Co-ordinator of Inter-American Affairs³. In carrying out his functions, which include the development of commercial and cultural relations between the American Republics and the formulation of programmes in the commercial and economic fields which will further the commercial well-being of the Western Hemisphere, the Co-ordinator has appointed representatives of various group interests, including the A F of L and the C I O, to assist him in an advisory capacity.

COLLABORATION IN PLANNING FOR POST-WAR RECONSTRUCTION

Considerable thought is being given in the United States to the problems of demobilisation which will arise at the end of the war. Although as yet relatively little of the machinery for studying and analysing these questions has been set into operation, the work of many Government agencies has touched upon problems of the post-defence period.

The Bureau of Labor Statistics of the Department of Labor has begun a study which will include an analysis of the cumulative

¹ Cf *Defense*, 15 July 1941

² Cf *Defense*, 3 June 1941, and Release of the Office of the Co-ordinator of Health and Welfare and Related Defense Activities

³ Executive Order No 8840. The new Office takes over the powers and functions formerly vested in the Office for the Co-ordination of Commercial and Cultural Relations between the American Republics, established by the Council of National Defense on 16 Aug 1940

impact of the defence programme on post-war employment problems¹ The Production Planning Board of the Office of Production Management, which is tripartite in composition, includes within its explicit duties that of analysis of post-emergency readjustment problems The National Resources Planning Board has been officially requested to analyse and collate all constructive plans for public and private action in the post-defence period in so far as these have to do with the natural and human resources of the nation² At the request of the President of the United States a special reservoir of public works projects for the post-emergency period is being prepared with special funds appropriated by Congress and administered through a new organisation—the Public Works Reserve in the Federal Works Agency

In August 1941 the President created an Economic Defense Board, composed of the Vice-President of the United States as Chairman, the Secretaries of State, the Treasury, War, the Navy, Agriculture and Commerce, and the Attorney General This Board is charged with studying measures for post-war economic reconstruction in the interest of national defence, and advising the President “on the steps to be taken to protect the trade position of the United States and to expedite the establishment of sound peacetime international economic relationships” In carrying out its duties, the Economic Defense Board will co-operate with all the various permanent Government departments and particularly those concerned with the defence programme in order to develop integrated economic defence plans³

In addition to research projects and plans carried on through Government agencies, discussions have taken place in the Congress of the United States concerning both post-emergency planning and the part that should be played by employers and workers as well as special groups of the community in future economic planning Hearings were held before a sub-committee of the Committee on Labor of the House of Representatives on two joint resolutions, one “to establish a national unemployment commission”, and another “establishing a post-emergency economic advisory commis-

¹ In December 1940 the National Conference on Labor Legislation meeting in Washington urged the Secretary of Labor to appoint a committee to study and plan for post-defence economic adjustments

² Cf NATIONAL RESOURCES PLANNING BOARD *After Defense—What? Post Defense Planning*

³ Executive Order No 8839, 30 July 1941

sion”¹ The discussions that took place in these hearings indicate the widespread interest in the subject among the functional groups throughout the country.

On 11 August 1941, a Bill which has the support of certain organised labour groups was referred to the Committee on Education and Labor of the Senate. This Bill proposes that a reservoir of public works projects should be planned and should be revised “as required by changing conditions to the end that when the emergency, proclaimed by the President on 27 May 1941, has ceased to exist, adequate provision, based on long-range planning, will be available to care for the then unemployed” In order to carry out this public works planning, the Bill proposes the creation of a Public Works Projects Administration in the Federal Works Agency to be administered by a Commissioner of Public Works Projects²

Both employers and workers are already thinking in terms of the post-defence period and making plans for dealing with the difficult problems of readjustment which they anticipate The National Defense Committee of the A F of L, for example, has been requested, among other things, “to prepare plans for full-time employment after the emergency for all who must earn a living”³

The industry council plan proposed by the Congress of Industrial Organizations included giving responsibility to these councils for future planning The statement announcing the plan stated: “One of the most serious impediments to proper industrial expansion is the feeling on the part of industry that the post-war period will find many of the industries overburdened with productive capacity and the resulting costs This obstacle to rapid increase of current production would be removed by industry planning by the councils for full utilisation of present and future capacity”⁴

* * *

The first year-and-a-half of the defence programme has witnessed an extension of the principle of collaboration in the administrative structure of the Federal Government and in the industrial structure of the nation The normal practice of informal consultation of labour leaders and of industrialists by the regular govern-

¹ Cf Hearings before a subcommittee of the Committee on Labor, House of Representatives, 77th Congress, on H J Res 59 and H J Res 76 establishing a post-emergency economic advisory commission and a national unemployment commission, 24, 25, 26, 27, and 30 June, and 1 July

² Seventy-seventh Congress First Session, S 1833, 11 Aug 1941

³ A F of L, Release of 4 July 1941

⁴ Congress of Industrial Organizations, Release of 15 March 1941

mental departments has been continued. In addition, large numbers of business men and some trade unionists have been brought directly into the administrative machinery and have, in an individual capacity, served to represent the point of view of their particular groups. At the same time, labour and employer collaboration on a more formal representative basis has increased as the defence needs have called for greater national unity.

The Department of Labor has worked with representatives of all the major labour groups in determining optimum labour standards and in ensuring compliance with labour legislation, as well as in taking steps to eliminate the causes of industrial unrest. Responsibility has fallen to the Associate Director-General of the Office of Production Management and his associates, together with the Labor Policy Advisory Committee, for co-ordinating Government efforts to assure adequate labour supply and training programmes, for supervising industrial relations in defence industries, and for planning to meet the priority unemployment caused by the necessity of curtailment of non-defence industries. Labour representatives on the National Defense Mediation Board have been given the task of dealing with many of the labour issues which might lead to stoppages of production and, by preventing disputes, of lessening the possibilities of strong public demands for anti-strike legislation and compulsory arbitration. Organised labour is represented both directly on a number of the advisory committees and indirectly through the labour consultants, drawn directly from the labour movement, who are employed on the staff of the Labor Division. While organised labour has been given full responsibility in some aspects of defence, the same amount of labour representation has not been attained on many of the defence agencies or even on their advisory committees¹.

The influence of business men has been evident primarily in the production agencies and groups where their interests are directly concerned, and particularly in the new Industrial Branches of the Office of Production Management. The selection of important employers on all the various agencies, however, has been largely on an individual basis rather than on the nomination of employers'.

¹ The method of selection of members of the various defence agencies is varied. In the case of the labour representative, first on the National Defense Advisory Commission and subsequently as Associate Director-General of the Office of Production Management, the appointment was made by the President on an individual basis, although the intention was clearly to provide a leading place in the defence structure for organised labour. On the other hand, the selection of the labour representatives to the National Defense Mediation Board and to a number of advisory committees was made after nomination by the representative labour organisations.

associations. Thus they are not in a position to speak for management generally, but only to give opinions which are not necessarily those of other employers.

It is in the application of the principle of full and responsible collaboration that the contrast of United States experience with that of Great Britain is most striking. In Great Britain, the success of the war effort stems to no small degree from the practice of tripartite collaboration from local and area advisory bodies up through the regular national Government agencies, whereas in the United States collaboration has been evident more particularly in the central machinery of defence organisation. The contrast lies not only in the structure but also, and far more deeply, in the status of the labour movement and in the organisation of industry itself. In Great Britain, a long-accepted tradition and practice of labour-management consultation and use of employers' and workers' organisations in the determination and application of policy, in the United States, a younger and growing trade union organisation, but a labour movement that is divided and still forced to fight for recognition. The challenge before the United States defence programme to-day is to harness the dynamic force both of the labour movement and of management in the mobilisation of all of the country's resources, thereby making these groups active participants not only in the production and labour fields but in every phase of the defence effort.

CHAPTER VIII

CONTINENTAL EUROPE

The situation in continental Europe as regards Government-employer-worker relations has undergone vast changes since the 1940 report on "Methods of Collaboration between the Public Authorities, Workers' Organisations, and Employers' Organisations" was written. These changes have not affected the fundamental structure of such relations in those countries—Italy, Portugal, Spain¹, Germany, and the U S S R—in which the industrial organisations are in varying degree integrated in the State² On the other hand, in a number of

¹In Spain, however, an Act of 6 Dec 1940 was adopted to apply the principles of the Labour Charter of 10 March 1938 Cf *Boletín Oficial del Estado*, 7 Dec 1940, and *International Labour Review*, Vol XLIII, No 4, Apr 1941, p 415

²Cf *Methods of Collaboration between the Public Authorities, Workers' Organisations, and Employers' Organisations*, Part I, pp 57-92 For an account of the German system see especially pages 78-84 Briefly, the system, comprises the organisation of industrial relations, the Labour Front and the National Economic Organisation

Industrial relations are based on the principle of the leadership of the employer, who makes decisions on social questions affecting the undertaking on his own responsibility, he is assisted by confidential councillors (*Vertrauensmänner*) or a confidential council (*Vertrauensrat*) As industrial disputes are illegal and collective agreements have been abolished, the regulation of conditions of employment is entrusted to labour trustees (*Treuhandler*) who are under the supervision of the Reich Minister of Labour Although the labour trustees follow the rules laid down by the Government, they take decisions on their own responsibility, in reaching decisions they are assisted by advisory councils of experts drawn from different occupations and chosen in part from lists submitted by the Labour Front The labour trustees have the power to fix both minimum and maximum rates of wages

The Labour Front, which is part of the National Socialist Party, includes all workers, salaried employees, and employers Its functions comprise vocational training, workers' education, industrial hygiene and safety, welfare work, social insurance, and organisation of spare time It also submits lists of nominees for assessors in "social honour" courts and labour courts

The German National Economic Organisation, which replaced the former employers' associations, applies the principles laid down by the Minister for Economic Affairs and the Commissioner for the Four-Year Plan The economic system is organised in seven main branches (1) industry (sub-divided into seven main groups), (2) handicrafts, (3) commerce, (4) banking, (5) insurance, (6) motive power, and (7) transport Territorially the system is divided into areas corresponding to those of the labour trustees, the Labour Front, and the National Socialist Party, within these areas are regional and local organisations At the centre there is a National Economic Chamber, and there are economic chambers in each of the districts The Economic Organisation and the Labour Front are linked by a Labour Community (*Arbeitsgemeinschaft*) which operates through a National Economic and Labour Council and district economic and labour councils The National Economic and Labour Council examines questions submitted to it by the Government, the Labour Front, and the National Economic Council The functions of these bodies are purely advisory

democratic countries where the rights of freedom of speech, of assembly, and of association and combination had long been enjoyed and the industrial organisations of employers and workers had long played a recognised part in determining social and economic conditions, the direct or indirect effect of the war has been to reverse the process that the preceding monographs have shown to be characteristic of the adaptation of the countries of the British Commonwealth of Nations and of the United States of America to the needs of war or national defence instead of a constant expansion of voluntary collaboration between Government, employers, and workers, the picture is one of the weakening or destruction of voluntary procedures of collaboration and their replacement by regimentation. Moreover, the measure in which this reverse process has developed is in close relation to the degree of integration of the countries concerned in the German economic system.

It is the purpose of this chapter briefly to describe the changes in the democratic countries of Europe for which information is available. These countries or territories can be divided into four groups: (1) countries which have retained their independence and their democratic institutions, (2) countries which have been partly or wholly occupied by Germany, (3) countries which have been reduced to German protectorates, and (4) countries or parts of countries which have been incorporated in the German State.

(1) In Sweden and Switzerland the long-standing practices of collaboration between the industrial organisations of employers and workers themselves and with the public authorities have been maintained.

In *Sweden*, indeed, the emergency has led to a considerable increase in the number of committees and boards with which employers and workers co-operate in various capacities. The most important of these is the Industrial Commission. Writing of the part played by bodies representative of various interests, the President of this Commission, who was the Managing Director of the Employers' Federation, wrote

It is of particular interest to note that another factor has been of great importance here (for the comparatively smooth and successful operation of the emergency administrative machinery). The structure of Swedish economic life, and not least of industry, has been substantially modified during the last few decades by the creation and development of an extensive network of organisations for the solution of various common problems. By linking up with and making use of these, the producers', traders', workers', and consumers' own organisations, and by constituting the emergency bodies, and in

particular perhaps the Industrial Commission, of men drawn from economic life itself, it has been possible to carry out the State emergency policy in a relatively flexible manner¹

In the more limited field of industrial relations, it is significant that the Confederation of Trade Unions and the Employers' Federation concluded on 16 January 1941 a new general agreement concerning the application of the sliding scale of wages which replaced the agreement reached at the outbreak of war. For the supervision of the application of this agreement, representatives of the employers and workers were appointed to the Committee on the Cost-of-Living Index. The general effect of the new agreement was to reduce the cost-of-living bonus from 75 per cent to about 50 per cent. In explaining the reasons why the workers agreed to this reduction, the President of the Confederation of Trade Unions stated

Both workers and employers are interested in the continued existence of the present system of handling and settling wage questions on the employment market. In the midst of a chaotic world, where coercion and lack of freedom put their stamp on every circumstance and not least on wage questions, we regard it as a privilege and as evidence of the value of free institutions, that we have been able to master our own problems through negotiation.²

In *Switzerland* the practices existing before the war appear to have been maintained without substantial modification. Of considerable importance, however, is a decision of the Swiss Federal Council on 21 May 1941 to propose to the Federal Assembly the adoption of legislation making it possible to declare collective agreements generally binding, this legislation would be experimental in character and would remain in force provisionally until 31 December 1943. Even more significant is the following passage from the Message of the Federal Council to the Federal Assembly in submitting this proposal

The system of collective agreements has become much more important in recent years in consequence of the considerable increase in the number of such agreements. Formerly employers frequently opposed this method of fixing the conditions of employment on principle, to-day, it can be said that there is no longer any real opposition to the system. When the clauses of collective agreements take due account both of the legitimate interests of the parties and of the economic situation of the country they provide a valuable buttress for our democratic institutions, which are based upon the agreement and the collaboration of all social groups. The conclusion of collective agreements, applicable throughout the country, has regulated the working

¹ Cf *Från departement och nämnder*, July 1940

² Cf *Sozial Demokraten*, 11 Jan 1941, and *International Labour Review*, Vol XLIII, No 5, May 1941, pp 564-568

conditions of many branches of industry, particularly the building industry. To create uniform conditions of employment, wherever possible, is one of the best means of removing social antagonisms. The extension of the application of this type of industrial law, enacted by the parties concerned, to undertakings and wage-earners not covered by the agreements is more than ever necessary in order to abolish differences in working conditions which have no justification in fact.¹

(2) The second group of countries—those partly or wholly occupied by Germany—includes in particular France, Denmark, Norway, the Netherlands, and Belgium. In France, the Government of Marshal Pétain has introduced new conceptions of industrial relations which contrast sharply with those of the democratic French Republic. In Denmark the intervention of the German occupying authorities has been less direct than in Norway, the Netherlands, and Belgium, and institutions of collaboration which existed before the invasion have continued to some extent in existence, while others have been developed. In Norway, the Netherlands, and Belgium, measures were taken at an early stage of the occupation which had the direct or indirect effect of putting an end to the effective operation of free institutions of collaboration.

The following paragraphs will be devoted to a short analysis of the position in France, in Denmark, and in Norway, the Netherlands, and Belgium.

The whole system of social and economic relations in *France* was fundamentally changed after the Armistice of June 1940. The guiding principles for the new social and economic policy were laid down by Marshal Pétain, Chief of the French State, in a message dated 10 October 1940.² He stated that the new order would be a social hierarchy based upon work and ability alone. It would be the duty of all Frenchmen to work, and those who failed in this duty would no longer merit their citizenship. On the other hand, all Frenchmen would have the right to work, and in order to ensure both the exercise of this right and the fulfilment of the duty to work, it was necessary to make far-reaching changes in the social and economic structure. One of these changes concerned the occupational organisations, which, in the future, would be compulsory for every trade, but strictly limited in each case to one trade. These organisations under the authority of the State would be responsible for drafting and enforcing collective agreements, they would guarantee the personal dignity of the worker by improving his conditions of life up

¹ Cf. *Journal des Associations patronales*, Nos 19 and 20, 1941.

² Cf. *Journal officiel* 11 Oct. 1940, p. 5261, and *International Labour Review*, Vol. XLIII, No. 3, Mar. 1941, pp. 316-318.

to old age, finally, they would prevent industrial disputes by the absolute prohibition of strikes and lock-outs and by compulsory arbitration through the Labour Courts

One of the first steps in the realisation of this programme was the suppression by a series of Decrees of 9 November 1940¹ of the central organisations of employers and workers, a measure which principally affected, as regards the employers, the General Confederation of French Employers, the Central Committee of French Coal-Mines, and the Metallurgical Committee, and as regards the workers, the General Confederation of Labour, the French Confederation of Christian Workers, and the Confederation of French Occupational Unions. These measures of suppression did not, however, affect the national federations, departmental unions, and local unions, which continued to have legal existence.²

About the same time, the Minister, Secretary of State for Industrial Production and Labour, announced that a new labour charter would be promulgated which would regulate the future forms of organisation and the functions of occupational associations. In order to prepare this new labour charter, a Committee on Occupational Organisations was set up by Decree of 28 February 1941.

At the first meeting of this Committee, the Chief of the State told the representatives of employers, technicians, and workers who composed the Committee that their duty was to frame the bases of a statute for the organisation of labour, which would be one of the fundamental laws of the new French State.³ At the conclusion of the third meeting of the Committee, in August 1941, its chairman outlined the system of occupational associations adopted by the Committee. A separate union would be organised in each locality for the workers, employers, foremen, technicians, and other employees in each trade or profession. These units would be grouped under a joint social committee, the duties of which would include the investigation and arbitration of all social questions affecting the trade or profession in the locality; a Government Commissioner would sit as a member of the Committee, with power to enforce the decisions reached. Above the local unions and local joint committees would be regional unions and regional joint committees, each region conforming as closely as possible to the new provincial organisation in France. Finally, there would be national unions and national joint committees from which the final court of appeal would be the Minister of

¹ Cf *Journal officiel*, 12 Nov 1940, p. 5653.

² Cf *International Labour Review*, Vol XLIII, No. 4, Apr 1941, pp. 418-419.

³ Cf *New York Times*, 9 June 1941.

Labour The dominant conception of the new system, according to the chairman of the Committee, was that all disputes would be settled in the interests of the trade or profession within the joint committees and labour problems would be removed entirely from politics¹

In the meanwhile, trade union activity had practically ceased. Wages and prices were stabilised in October 1940, and this stabilisation entailed the practical suppression of the sliding scale of wages and implicitly placed out of operation the provisions of the law relating to conciliation and arbitration which regulated the application of the sliding scale. All increases of prices or wages were made subject to authorisation by a Price Department in the Ministry of Finance. In the absence of exact statistics, it is impossible to estimate the effect of these measures on the standard of living of the wage-earners, but it may be noted that, in petitions addressed to the Chief of the State on 1 May 1941, the workers asked for a 60 per cent increase in wages in order to compensate for the increase in the cost of living²

The reorganisation of French economic life has been carried considerably farther than that of industrial relations. A series of measures taken between August 1940 and May 1941 provided for the reorganisation of French industry, the control of the production and use of raw materials, the control of prices and wages, the corporative organisation of agriculture, and the reorganisation of commerce. Organising committees have been set up under an Act of 16 August 1940 for the majority of French industries³. The chairman of each committee is appointed by the Minister, to whom he is exclusively responsible, he is assisted by a board of directors and an advisory committee, the members of which represent the various industries coming within the competence of the committee. For the control of the production and utilisation of raw materials, a Central Office for the Distribution of Industrial Products was set up in September 1940. A new corporative organisation of agriculture in France was established by an Act of 2 December 1940, which provided for the institution of a National Corporative Agricultural Council, regional corporative agricultural unions, and local unions, as well as specialised groups for the more important branches of production. The new corporative organisation has absorbed existing

¹ Cf *New York Times*, 10 Aug 1941

² By an Act of 1 June 1941, all wages and salaries below 42,000 French francs a year were automatically increased by about 20 per cent, thus partly meeting the rise in the cost of living

³ Cf *International Labour Review*, Vol XLII, Nos 2-3, Aug-Sept 1940, pp 122-123

agricultural organisations and more particularly the friendly and co-operative societies, the Chambers of Agriculture have also been suppressed¹

In *Denmark*, the continued participation of the employers' and workers' organisations in the economic and social life of the country may be exemplified by reference to the Work Distribution Act of 30 May 1940. This Act directly required the organisations to make the necessary preliminary inquiries into the possibilities and effects of the proposed scheme for spreading work, and encouraged them to conclude agreements as to the method of its application. It also gave them six of the seven seats on the Board set up to administer the Act²

As regards industrial relations generally, an Act of 13 September 1940 suspended the 1934 Act relating to conciliation in labour disputes and prohibited provisionally, i.e. until 1 November 1941, all labour stoppages except such as involve the life, honour, and welfare of the worker. This legislation was drafted on the basis of proposals submitted by the central organisations of employers and workers, although it differed from these proposals in certain particulars. Under this Act a Labour and Conciliation Board, composed of three representatives of the Danish Employers' Federation and three representatives of the Danish Confederation of Trade Unions, was set up for the purpose of safeguarding occupational social and economic interests and consequently of facilitating the development of production. In dealing with questions of wages and conditions of employment, the work of the Board is directed by a "Presidency", the three members of which are chosen by the Government from persons conversant with the economic and social situation and who represent neither the interests of the employers nor those of the workers. Provision is also made for the establishment of two subordinate bodies to select the cases to be referred to the Board. The Board has the additional responsibility of making recommendations to the Minister of Labour and Social Welfare on legislative and administrative questions connected with production. The Minister may also refer any matter within his competence to the Board for an advisory opinion, in such cases the Presidency does not take part in the work of the Board, which may, however, be supplemented by experts³

¹ Cf. *International Labour Review*, Vol. XLIII, No. 3, Mar. 1941, pp. 318-320

² Cf. *Danmarks Sociale Lovgivning 1891-1941*, p. 241

³ Cf. *International Labour Review*, Vol. XLIII, No. 2, Feb. 1941, pp. 192-194

One of the most important questions dealt with by the Labour and Conciliation Board was that of the renewal of the blanket agreement of 31 October 1939 on the sliding scale of wages, which expired on 1 March 1941. The decision of the Board, which was issued on 4 March 1941, was that all collective agreements concluded between workers' and employers' organisations affiliated to the central organisations should be extended until 1 March 1942. On the other hand, the blanket agreement was terminated by the Board, which granted an increase of wages estimated to compensate on an average for about half of the 42 per cent rise in prices between the outbreak of war and January 1941.¹

Soon after the occupation of *Norway*, a Department of Social Affairs was set up in the office of the German Commissioner for Norway, and the Minister of Social Affairs was placed under the supervision of the chief of this Department. Wage rates were stabilised by an Order of 23 May 1940, and all proposals for changes in the rates of wages and other conditions of employment had to be submitted to the Ministry and, therefore, in the last instance, to the German Commissioner. In these circumstances the Norwegian trade unions were deprived of all real influence, and they preferred to cease functioning voluntarily rather than accept the supervision and control of the occupying authorities over their free institutions. A series of Orders amending the Norwegian Industrial Disputes Act suppressed strikes and lock-outs, and prescribed that all disputes should be referred to compulsory conciliation and arbitration procedures. As in Denmark, the occupation was immediately followed by action to stabilise the rates of wages, thus implicitly putting an end to the blanket agreement on the sliding scale of wages concluded at the beginning of 1940 between the General Confederation of Trade Unions and the Employers' Federation, and which granted to the workers bonuses equal to about 75 per cent of the increase in the cost of living. Measures for the control of prices were taken in order to compensate to some extent for the sacrifices imposed upon the wage-earners. Nevertheless a sharp rise in prices took place in

¹ Cf. *International Labour Review*, Vol XLIV, No 1, July 1941, pp 88-89. An Act of 30 May 1940 had fixed the wage bonuses stipulated in the blanket agreement at the cost-of-living index level of Jan 1940. However, as the cost-of-living index had risen about 42 per cent between April 1940, the month in which the country was invaded by Germany, and Feb 1941, the Confederation of Trade Unions had applied to the Labour Conciliation Board for the re-establishment of the sliding scale of wages.

the autumn of 1940¹ and negotiations were entered into by the Confederation of Trade Unions and the Employers' Federation with a view to concluding a new agreement for an increase in wages which would partly compensate for the rise in prices. The agreement reached was, however, declared invalid by the authorities.²

In the *Netherlands*, where trade union organisations were very powerful before the German invasion, no specific measures appear to have been taken to suppress trade unionism, but the action of the trade unions has been almost completely paralysed. The policy of the occupying authorities appears to be to attempt to secure the support of the workers for a single trade union organisation which would be limited to functions of social assistance, vocational education, and the organisation of spare time. The laws on conciliation and arbitration, collective agreements, and industrial councils, on which the system of industrial relations was based, have been implicitly abrogated. In their place the regulation of questions relating to wages and other conditions of employment has been placed in the hands of the Chief of the Department of Social Affairs, who exercises his authority through arbitrators whose situation is analogous to that of the German labour trustees. As in the other occupied countries, one of the first acts of the occupying authorities was to stabilise wages and other conditions of employment and to prohibit strikes and lock-outs. Existing collective agreements remain in force, but provisions relating to sliding scales of wages are eliminated, all new collective agreements as well as all changes in existing agreements must be submitted to the authorities for approval if they contain proposals for increased wages.³

Amongst the occupied countries *Belgium* is the one in which the effects of occupation are most clearly seen. The Belgian trade union organisations—the General Confederation of Labour and the Confederation of Christian Trade Unions—which together had more than one million members at the outbreak of the war, have voluntarily ceased all activity. The same is true of the joint committees which played such an active part in industrial relations in Belgium. Ac-

¹ In Dec. 1940 the workers calculated that real wages had fallen 20 per cent since the occupation of 9 April, and that a further 10 per cent. decline would be necessary to bring the standards down to the German level. The Vice-President of the Confederation of Trade Unions stated in Feb. 1941 that "in view of the cost of living index numbers and the available wage statistics, combined with the fact that a considerable proportion of the workers in industry are on short time", real wages had fallen by not less than 30 per cent.

² Cf. *International Labour Review*, Vol. XLIII, No. 6, 1941, pp. 687-700.

³ Cf. *Reichsarbeitsblatt*, 5 Mar. 1941. "Active Sozialpolitik in den Niederlanden".

according to the *Soziale Praxis*¹ a single organisation of manual and intellectual workers, to which fifteen national trade unions are said to be affiliated, is attempting to take the place of the former free organisations

Immediately after the occupation measures were taken to stabilise wages and salaries at the level prevailing at that time, and the sliding scale of wages, introduced by agreement between the central organisations of employers and workers in September 1939, was automatically terminated. The regulation of conditions of employment was entrusted to the Minister of Labour, acting in agreement with the Commissioner for Prices and Wages, appointed under an Order of 20 August 1940 as subsequently amended. The decisions of the Minister take the form of decrees which define the territorial field of application, the maximum and minimum scales of wages, and the minimum conditions of employment, exceptions to the provisions of any such decree can only be granted by the prior authorisation in writing of the Commissioner of Prices and Wages or his representative²

This system has recently been modified by two Orders: the first, issued on 29 May 1941³, introduced minimum rates of wages for workers and salaried employees in industrial and agricultural undertakings, and the second, issued on 21 June 1941⁴, provided for the appointment of a General Delegate of Labour empowered to regulate labour conditions, wage rates excepted. The General Delegate is assisted by social expert committees whose members are appointed by the General Delegate himself under the supervision of the Minister of Labour.

The method of regulation of wages and conditions of work is an integral part of the new general economic system. The bases of this new system were laid down in the Order of 10 February 1941, the aims being (1) to organise the national economy in such a way as to ensure a fair distribution of raw materials and an effective co-ordination of the means of production, and (2) to ensure the unity of representation of occupational interests by subjecting all the parties concerned to a similar discipline within their occupational group. In order to realise these aims, the Chief of the Ministry of Economic Affairs is invested with full powers to issue economic regulations and take other appropriate measures. His powers include in parti-

¹ Cf. *Soziale Praxis*, 15 May 1941, p. 413

² Cf. *Monteur Belge*, 3 Aug. 1940, pp. 307-308, 23 Aug. 1940, pp. 513-514, 2-3 Jan. 1941, p. 43, 3 Apr. 1941, p. 2306

³ Cf. *Monteur Belge*, 1 June 1941, p. 3990

⁴ Cf. *Monteur Belge*, 4 July 1941, p. 4749

cular (1) the establishment of economic organisations by occupation or by region, giving them a monopoly of representation in their sphere of economic activity—these organisations are public bodies; (2) the transformation into organisations having the character of public bodies of existing occupational groups, or their incorporation in such organisations, and the granting to the latter of special status and, if necessary, the issue of rules concerning the management and the use of their property, (3) the subordination to these economic organisations of all industrial, commercial or handicraft undertakings, whether Belgian or foreign, registered in Belgium, as well as undertakings belonging to public administrations, (4) the definition of the purposes, attributions and duties of these economic organisations and their members, (5) the appointment and dismissal of the directors and members of the administrative or executive organs of these economic organisations¹

The Order of 5 March 1941 provides for the application of the Order of 10 February 1941, defines more precisely the purposes of the measures and creates a network of economic organisations on an occupational and regional basis. The functions of the occupational groups are essentially the carrying out of tasks assigned to them by the Chief of the Ministry of Economic Affairs, the suggestion to the authorities of measures which may facilitate the activities of their members within the framework of the general interest, etc. The country is divided into economic regions, in each of which an economic chamber is to be set up, and this chamber may, subject to the approval of the Chief of the Ministry of Economic Affairs, create sections. The economic chambers are the official representatives of all the undertakings in their region, they are administered by a chief who is appointed and dismissable by the Chief of the Ministry of Economic Affairs, and who is assisted by a Council composed of the chiefs of the occupational groups of the district, as well as a representative of agriculture and one or more representatives of provincial or local interests, and of the interests of consumers. No reference is made to the representation of the interests of the workers as such.²

Finally, a Belgian National Corporation of Agriculture and Nutrition was set up in August 1940. This Corporation and the groups which are subordinate to it have the character of public bodies to which all agricultural undertakings must be affiliated. The Corporation has full powers to regulate agricultural production, distribution of products, and prices.

¹ Cf. *Moniteur Belge*, 13 Feb 1941, p. 413, and *International Labour Review*, Vol. XLIV, No. 3, Sept 1941, pp. 301-302.

² Cf. *Moniteur Belge*, 8 Mar 1941, p. 1639.

(3) Parts of two countries whose legitimate governments are in exile are being governed by the Germans as protectorates the part of Poland which the Germans term the General Government of Poland, and the part of Czechoslovakia which is at present known as Bohemia-Moravia

In the *General Government of Poland*, the German Governor-General has full powers to deal with social and economic questions. He exercises these powers as regards labour matters through the Labour Division set up in his office immediately after the occupation and which replaces the former Polish Ministry of Labour¹. Local labour divisions for supervising the application of social legislation were set up in the offices of the German district officers.

By an Order of 31 October 1939 freedom of association and the right to strike, as well as the former Polish system of conciliation and arbitration, were automatically abolished and wages were stabilised at the rates in force at the moment of occupation. The Chief of the Labour Division and the chiefs of the district divisions were authorised to issue administrative regulations concerning wages and conditions of work, and to make any changes desired in the wage conditions of existing collective agreements, in so far as such agreements were not in conflict with wage determinations made by the Chief of the Labour Division, they remained in application. In fixing wages the General Government has practised the policy of race discrimination in the same manner as in the territories actually annexed to Germany, applying to German workers and Polish workers of German race the wage scale valid for the particular occupation in Germany, but providing a lower wage scale for Polish workers.

The economic system in German-occupied Poland has been adapted to that of Germany. Former Polish economic organisations such as the Chambers of Industry and Commerce, of Handicrafts and Agriculture, as well as technical and occupational groupings were all either dissolved or attached to the new central and regional organisations, their funds were also transferred to these new bodies. The new economic system was set up by a decree of 3 March 1941. It provides for a central economic chamber and for regional economic chambers, the functions of which are to reorganise the administration of the country in respect to labour, industry, agriculture and food, and forestry and the timber industry. These chambers are under the control of the Secretary of State of the General Government. Each chamber is divided into four sections correspond-

¹ Cf. *Reichsarbeitsblatt*, 5 Feb. 1941. "Aufbau und Organization der Abteilung Arbeit im Generalgouvernement", by Dr. FRAUENDORFER, Part V, p. 68.

ing to the four main divisions of the economic system enumerated above. In addition, an office for foreign trade and a central office for public purchases are attached to the central economic chamber. The central economic chamber is directed by a German Government Commissioner appointed by the Governor-General, the regional chambers are directed by the district officers in the capacity of Government Commissioners. The Government Commissioners of the central chamber and of the regional chambers are responsible for ensuring that "the economic organisation corresponds with political needs". The chambers are in charge of the economic and social interests of all the economic and occupational groups within their jurisdiction and must ensure the co-operation of these groups with the General Government.

Further, the Directors of the Departments of Economics, Agriculture and Food, Forestry, and Labour of the General Government may dissolve all other technical or occupational organisations; they may also set up new technical or occupational associations, membership of which would be compulsory.¹

In the German-occupied part of Czechoslovakia, known as *Bohemia-Moravia*, the social and economic reorganisation of the country on the German model has practically been completed. The Protector of Bohemia-Moravia was given power not only to control the civil administration of the country but also to intervene in social and economic questions, and Bohemia-Moravia has been incorporated in the German Customs Union. The former Czechoslovak trade union movement has been destroyed, together with the procedures of collaboration between employers and workers. Almost the only difference between the system now in force in Bohemia-Moravia and that of Germany is that in Germany the Minister of Labour delegates his powers to determine conditions of work to the labour trustees, while in Bohemia-Moravia the Minister of Social Administration directly determines conditions of work throughout the country.

At the time of the occupation of Czechoslovakia in March 1939 there were five central trade union organisations, having approximately two million members. After the occupation these central organisations were suppressed and two central bodies directly controlled by the Government, the Union of Employees and the Union of Workers, were established. In May 1941 these two organisations were in turn abolished and a single central trade union organisation, the Central Union of Workers, was set up and placed under the control of a German Commissioner for Occupational Unions in

¹ Cf. *Verordnungsblatt für das Generalgouvernement Cracowie*, No. 18 of 14 Mar. 1941, p. 87.

Bohemia-Moravia At a meeting held in May 1941, this Commissioner defined the role of the workers' organisations He emphasised that it was indispensable to eliminate from these organisations all political influences and that their particular functions would be the education of youth and vocational training It was the duty of these organisations to participate in the solution of social questions but, he added, "it is absolutely necessary that they should understand the real meaning of the new order" The new Central Union of Workers, at the moment of its establishment, was reported to have about 700,000 members¹

Shortly after the occupation, the new Minister of Social Administration proceeded to deal with the stabilisation of wages A Decree of 21 December 1939, amended later by a Decree of 19 December 1940,² gave to the Minister of Social Administration full powers for determining wages and working conditions generally (in particular, hours of work and rest periods) As a first step, the Minister attempted to stabilise wages and working conditions at the level prevailing at the moment of entry into operation of the Decree For this purpose he brought under his control the system of collective agreements and of wage regulation in industry and agriculture, providing that any new agreements and any changes in agreements must be approved by the Minister before coming into force Later, the Minister of Social Administration issued new wage regulations, industry by industry and occupation by occupation, which replaced the collective agreements These regulations now cover the great majority of the industries and occupations of the country, their application is compulsory in respect of wage-earners in the occupations or industries concerned

The economic system in this occupied part of Czechoslovakia has also been reorganised on the German model By a series of Decrees, organisations, membership of which is compulsory, have been set up for industry, commerce, handicrafts, transport, banking, and private insurance The plan is similar for all branches of the national economy Thus, for example, in industry a Central Federation of Industries has been created to which all undertakings are obliged to affiliate, this Federation is divided into sections and subsections, their functions being defined in the instrument of establishment In fact, these functions are simply those which are delegated by the Minister of Economic Affairs, under whose supervision they work All federations are administered by a Board, the President and Vice-

¹ Cf *Narodní Práce*, 18, 20 21, 25 and 27 May 1941, and *International Labour Review*, Vol XLIV, No 3, Sept 1941, p 349

² Cf *International Labour Review*, Vol XLIII, No 6, June 1941, pp 709-710

President of which are appointed by the Minister. The consequence of this reorganisation of the economic system has been the suppression of employers' organisations, whether occupational or economic, just as the industrial reorganisation has involved the abolition of the free trade unions

(4) The former free territories of Europe which have been wholly absorbed into the Greater German Reich reveal most clearly the ultimate effects of German occupation on the social and economic system and on the methods of free collaboration between employers and workers. These territories are Austria, the Sudeten Provinces of Czechoslovakia, Memel, Danzig, parts of Poland, the Belgian Cantons of Eupen, Malmedy, and Moresnet, Alsace-Lorraine, and Luxemburg. The incorporation of Austria, the Sudetenland, and the annexed regions of Belgium appears to have been practically completed¹, the measures by which this process is being carried through in Alsace-Lorraine, Luxemburg, and the annexed regions of Poland will be described below

One of the first acts in each case has been the suppression of the trade unions, the prohibition—under the menace of the most severe penalties, including the deprivation of the right to obtain employment—of the right to strike, the abolition of the system of collective agreements and of the procedures of conciliation and arbitration. All employers and all workers in the annexed territories have been forced to become members of the German Labour Front, and, as in Germany, wages and conditions of work are laid down without consultation of the workers. In Alsace-Lorraine and Luxemburg, in particular, the workers have been deprived of the valuable safeguards contained in the former French and Luxemburg legislation, and the wage policy practised by the German authorities in the annexed territories illustrates the German attitude to the conquered peoples.

In *Alsace-Lorraine*, at the moment of the military occupation, prices and wages, as evaluated in marks at an arbitrary rate of five pfennigs to a French franc, were below the level of German wages and prices². The first concern of the German occupying authorities was to bring prices and wages in Alsace-Lorraine to the German level. A Decree of 11 August 1940 on the stabilisation of prices and wages was designed to serve this end. As far as prices were concerned, this aim was easily achieved, but it was only partially reached in regard to wages. Workers and employees benefited by a uniform and

¹ Cf. *Reichsarbeitsblatt*, 5 Mar. 1941. "Die Tariflöhne im Jahre 1940," Part V, p. 130.

² Cf. *Reichsarbeitsblatt*, 25 Nov. 1940. "Arbeitsbedingungen im Elsass", by M. VOWINKEL, Part V, p. 585.

nominal rise of 80 per cent. of wages in relation to the rates fixed on 1 September 1939 (not taking into account subsequent increases) However, this rise was far from compensating for the rise in the cost of living, which had more than doubled According to an article in the *Reichsarbeitsblatt*, the level of wages as then fixed had not reached, for any industry or any occupation, that of German workers employed in similar occupations or industries The German authorities justified this wage differential on the ground that the output of the French worker, like the output of French machine tools, was inferior to the output of the German worker and German machinery

The assimilation of the situation in the territory to that in Germany was, however, brought nearer by two Decrees, issued on 7 and 18 October 1940, relating to wage fixing in private industry in Alsace-Lorraine As a result of these two Decrees, German wage rates were applied to a certain number of industries and occupations, while maximum wage rates were fixed for all other industries both in regard to time work and piece work

In *Luxemburg* the wage policy followed a similar course Prices and wages were first of all adapted to the level of those in Germany. The Luxemburg franc was fixed at 10 pfennigs and the workers were granted a nominal increase in wages of 40 per cent, but this increase only partially compensated for the rise in the cost of living Later, conditions of work and wages were determined by Ordinances issued by the German civil authorities for each industry and occupation

In the annexed areas of *Poland*, the wage rates of workers of German race are the same as those in Germany, but special provisions have been introduced for Polish workers For example, the wage rates for Polish agricultural workers have been fixed by Decree at 20 to 30 per cent below those of German agricultural workers In explaining this policy the German Labour Front¹ stated that "the German worker is accustomed to a higher standard of living than that of the Polish worker" It is added that "it is not possible to apply the same regime to industry, because a number of employers would doubtless prefer to employ the cheaper Polish workers rather than better-paid German workers". However, although Polish workers working side by side with German workers in German territory receive the same rates of wages as the German workers, they must pay 15 per cent of their earnings to the German State²

The policy of assimilation in the annexed territories has not only been applied to conditions of work and wages but also to the econ-

¹ Cf *Monatshefte für Nationalsozialistische Sozialpolitik*, No 19-20, 1940

² Cf *Reichsarbeitsblatt*, 5 Mar 1941, p 132

omic system generally Industrial and commercial undertakings have lost their autonomy and have been integrated in the German system, becoming subject to the same regulations as regards production marketing, and price fixing as German undertakings Agricultural undertakings have been brought within the German Food Corporation, which dictates the policy to be followed in agricultural production The employers as well as the wage-earners of the countries and territories provisionally incorporated in the Reich must, therefore, pay for the preferential treatment which, according to the German Minister of Economics, they share with the German people by accepting a lower standard of living and sacrificing their economic independence and their social and economic liberties

* * *

Thus, with the exception of those democratic countries which have maintained their independence and their free institutions—and even these countries have been obliged to adapt their foreign economic policy and to some extent their internal economic policy to the conditions created by German hegemony in Continental Europe—the European territories mentioned in this chapter are being brought by varying but similar methods and at a tempo conditioned by the special circumstances of each case within the German social and economic system

The objects and methods of the economic reorganisation of Europe under German leadership have been clearly set out by the German Minister of National Economy¹ They may be summed up as follows

(1) Organisation of the European national economic systems in relation to the German market by means of long-dated “economic integration agreements”;

(2) Stabilisation of European currencies linked to the German mark and continental exchange control through clearing systems,

(3) A rational division of work between European States for the purpose of the maximum utilisation of resources and the greatest possible European self-sufficiency (this involves the organisation of production in accordance with a European plan to be carried out under the direction and supervision of Germany);

(4) Co-operation in all branches of economic activity (currency, credit, production, commerce), leading to the creation of a European “community of interests” (*Interessengemeinschaft*) which will be in a very strong position to defend the economic interests of the whole continent against other economic groups in the world economy

¹ *Reichsarbeitsblatt*, 5 Aug 1940, Part V, p 369 “Europäische Wirtschafts-solidarität”

The German Minister of National Economy further defined the object of European economic reorganisation in the following terms

"The post-war economic system must ensure to Great Germany a maximum of economic security and to the German people a maximum of consumption goods, in order to raise the standard of living to the highest level"

That the measures taken in the occupied territories have as their object the preparation of this reorganisation is clearly shown in the comments of German writers. In a special Norway number of *Wirtschaftsdienst*¹, the Chief of the Economic Department in the German Commissioner's Office explained as follows the purpose of the wage policy applied in Norway "to increase the productivity of labour and effect a considerable reduction of wages wherever increases injurious to the economic system had been obtained by strikes organised by the trade unions. Price policy in the future will be influenced by political considerations, particularly the transfer of the Norwegian economic system into the European living space. In the long run prices will have to be brought to the level of those of Central Europe. Thus, with the lowering of prices and real wages and consequently of the standard of living, the necessary conditions for the integration of the Norwegian economic system in the European economic system will one day be created"

Similarly, articles in a special Belgian Number of *Wirtschaftsdienst*² drew attention to the necessity for Belgium to reorganise its economic system in relation to the German market and described the measures of reorganisation mentioned above as contributing to "the integration of the Belgian economic system into that of post-war Europe"

It is not the purpose here to point out the general consequences of the German wage policy, the regulation of industrial relations and the economic reorganisation in the occupied territories. From the special point of view of this report, the combined effect of these changes has been to put an end, directly or indirectly, to the procedures of free social collaboration which existed before the war and to destroy or render impotent the previously-existing agencies of collaboration, *i.e.* the organisations of employers and workers. Thus, while in the United States of America and the countries of the British Commonwealth of Nations there has been extensive development of collaboration in national defence and the war effort, the reverse is the case in the countries which have come under German

¹ Cf *Wirtschaftsdienst*, 18 Oct 1940, p 810

² *Ibid*, 21 Apr 1941

domination. But though their free associations may be broken today, though their leaders may be killed, in exile or in hiding, the forces that once formed the spearhead of democracy in Continental Europe cannot be suppressed. Having suffered under the weight of the totalitarian "New Order", the peoples of Europe will in the future adhere firmly to the principles and methods of democratic government, and will rely once more on their freely-chosen representatives to rebuild the economic and social foundations of a democratic order and to express their views in the councils of the world.

CONCLUSION

The needs of the present war are severely testing those elements of political democracy which are basic to our civilisation, and are proving the necessity of weaving them firmly into the fabric of social and economic life. There has been widespread acceptance of the principle that employers' and workers' representatives should participate in many Government agencies and organisations, and at the same time a great extension of State intervention in many new fields of social and economic activity, but the degree to which use has been made of these methods of increasing the tempo and efficiency of production for national defence has varied considerably from country to country.

The methods by which occupational groups have been associated with governmental machinery have depended very largely upon the traditions and practices of each nation. Where the trade union movement is highly organised under responsible leadership which is able to speak for the mass of the workers concerned, trade union representation has been of the greatest utility. Where employers are organised into associations which can negotiate on behalf of their members and which can undertake responsibility for decisions reached in negotiations with workers and with the public authorities, results of great importance to the war or defence effort have been achieved through participation of management in the machinery of Government.

Occupational representation in adapting economic and social systems to the needs of the war has developed most smoothly and rapidly in countries with long experience in collective bargaining and in the self-regulation of industry. This is equally the case where existing peace-time machinery for collaboration has been adapted to war purposes, as in New Zealand, and where a long-standing practice of informal consultation has accustomed governmental officials, trade unionists, and employers' representatives to working together on common problems, as in Great Britain. Nevertheless, more limited experience or shorter traditions have not prevented the development of procedures for collaboration, particularly in the emergency, in

countries with newer industrial systems but where wartime needs have resulted in increased membership of industrial organisations and have engendered a deeper sense of common responsibility

Experience further shows that Government-employer-worker collaboration has served a dual purpose not only does it promote greater efficiency by the prevention of industrial strife and the better utilisation of the resources and technical skill of the country, but it also, by providing for the democratic representation of varied interests throughout the nation, tempers as well as assists the extension of State control. The problem of preventing State intervention from degenerating into dictatorship is one of the fundamental problems of democracy, and it is significant that in the territories annexed or occupied by Germany, the free associations of employers and workers, whose powers of criticism and of check might have been an embarrassment, have been abolished or rendered powerless

* * *

The various methods and procedures for securing the participation of workers' and employers' representatives in wartime Government machinery have largely been developed to deal with particular problems

I

There are, first, those problems which primarily concern employers and workers not only as individuals but through their collective interests in the functioning of industry. Most obvious in this category is the determination of conditions of employment. Where the very preservation of the democratic way of life is at stake, one of the most pressing demands has been for the suspension of certain social gains and for a temporary lowering of the standards of working and living conditions achieved before the war. Workers' and employers' organisations have recognised these needs, and in a significant number of cases have joined with the public authorities in accepting responsibility for this temporary lowering of standards. In some countries, where it was necessary to relax existing standards of skill in order to increase the number of tradesmen in important occupations, employers and workers in the industry concerned have taken direct executive responsibility for making the required modifications and for supervising their application. Similarly, employer and worker collaboration has made possible the adaptation to war needs of other provisions in collective agreements and awards (such as those relating to hours, overtime payment, and paid holidays)

Employers' and workers' representatives have also been responsible for the alleviation of certain of the hardships created by the

war While accepting the necessity of increasing hours of work and limiting workers' privileges, the trade unions have made sure that steps were taken, through co-operation with employers and Governments, to limit the strains and difficulties of working under wartime conditions An interesting example of the use of collaboration in such matters was the development of the system of "roof spotters" during air raids in Great Britain, which permitted factories to continue work until the last possible moment

It is true that in some instances trade union organisations have refused to share responsibility for Government measures which tend to suspend and lower working standards, in order to be in a position more freely to criticise such measures In other cases where the trade unions have taken part in the discussions concerning working conditions, they have accepted lowered standards in exchange for increased responsibility in directing the economy of the country

One of the earliest problems faced by all the democratic nations seeking full production to meet war or defence needs has been the elimination of industrial disputes While various methods have been tried in different countries, provision has been made in all cases for the more rapid handling of grievances and for the extended use, during the war period, of conciliation and arbitration procedures The need to ensure that delays in dealing with grievances should not lead to industrial disputes and consequently to loss of production by strikes and lock-outs has brought the trade union movement, as well as employers and Government officials, to seek more comprehensive wartime machinery for mediation, conciliation, and arbitration The steps taken in Great Britain, in Australia, and in New Zealand to this end were all based on full prior agreement by the industrial organisations of employers and workers Indeed, it was at the recommendation of the special agencies for collaboration set up in these countries during the war that the measures for the prevention of strikes and lock-outs and for the extension of the scope of the arbitration machinery were adopted In evaluating the operation of these wartime measures, it must be borne in mind that they have worked successfully primarily because their validity and purposes were recognised both by the trade unions and by management prior to their adoption, that the need for expedition in settling grievances was a prime factor in making this recognition possible, and that special care has been taken to avoid arousing antagonisms by rigid enforcement

The relationship between machinery for conciliation and arbitration and the determination of working conditions and of wage

policy is obvious, but the emphasis on one question or the other has varied in accordance with the stage of industrialisation and the economic situation of the country as a result of the war. Thus, where the position of the trade union movement is relatively insecure and trade unionists have not been called upon to take an active part in promoting the country's war effort, it has been difficult—and sometimes impossible—to obtain a voluntary renunciation, even on a temporary basis, of the right to strike. On the other hand, it has been possible, in some instances, to formulate a national wage policy even though there has been no machinery in existence for compulsory arbitration.

Experience has shown that collaboration in the formulation and application of labour supply policy has not only been useful but indispensable in dealing with the many problems involved in the allocation of man-power between industry and the armed forces, the control of employment, training and apprenticeship, dilution of skilled labour and transfer, and the mobilisation of women and other labour reserves for useful employment. Where policies have been drafted and applied with the advice and participation of representatives of employers and workers, they have been realistic and positive. Moreover, when representatives of the two groups have taken an active part in framing the policy, their respective memberships have been willing to accept the conclusions and to make the sacrifices required with a far larger measure of good will than if the measures had been taken by the governmental authorities alone.

II

In the above group of problems, it is clear that collaboration has been necessary on the grounds of the direct concern of labour and employers in the working of the solutions reached. There is another group of problems with which organised labour is equally closely concerned but which traditionally, in many countries, has been considered to belong primarily to business interests and to Government, and where the participation of labour has only recently been sought. Thus, for example, in the field of production, the problems of plant operation, the concentration of production in a smaller number of firms, the determination of essential occupations, the purchase of materials, and the imposition of priorities and allocation of materials, had usually been considered to be the responsibility either of business alone or of business and Government. Now, however, the need for optimum war production in some countries has

brought workers' representatives into the agencies dealing with these production problems. The participation of the workers has sometimes been limited to advice and criticism, but in many instances use has been made of their technical competence and knowledge of the methods of production of the industries concerned. That the workers' contribution has been useful has been evident in Great Britain, where they have assumed increasing responsibilities for actual production planning.

Closely related to production is the distribution of commodities and the provision of transport. The degree of responsibility assumed by trade union representatives in these fields has varied widely in different countries. Particularly where the problems of shipping space have become of outstanding significance, trade unionists have been included in the advisory bodies and have sometimes taken a direct part in the organisation of shipping facilities.

III

Tripartite collaboration has a somewhat different purpose in relation to such questions as price control, food policy, and export and import control. Here the participation of employers' representatives has served primarily to ensure that the producer's point of view is adequately presented, while labour representatives have represented the views of consumers and of the general public. In these cases, the value of the contribution of the business and the trade union participants largely depends upon the extent to which, in combination, they represent the community as a whole. In order to achieve this end, it has sometimes been found desirable to select employer and worker representatives for committees dealing for example with price control, food distribution, or imports, from industries or trades not directly concerned with the commodity under control. In Great Britain the workers have played a useful part on food and commodity price committees, in that they have been able to express the views of one of the largest organised groups of the population and so to represent the public interest. However, in the United States, where the base of the organised labour movement is narrower, and where large sections of the population do not consider organised labour representatives as spokesmen for any but a special group, workers are not accepted as consumer representatives, the consumer's point of view is provided through the various women's organisations, civic bodies, and, in areas where they are widely organised, the co-

operative associations. The latter, of course, also play an important part in Great Britain, where they frequently supplement the activities of and work with the trade union bodies.

IV

Another group of problems in which representative agencies play a particularly important part is that which concerns community organisation. When plans for community feeding, evacuation schemes, local government emergency arrangements, and related problems have been developed without adequate representation of trade unions, unrealistic schemes have sometimes emerged. This lesson was learned in Great Britain in the early days of the war, when the plans for the evacuation of women and children were made. The comparative failure of these plans has been ascribed to the fact that they were drawn up by minds that were "military, male, and middle class". Only middle-class parents, "accustomed to shoo their children out of sight and reach at the earliest possible age, could have been so astonished to find that working class parents are violently unwilling to part with theirs"¹. As war organisation was developed, however, tripartite consultative agencies helped, both locally and nationally, to formulate community schemes and arrangements to meet the emergency needs of the civilian population.

V

In the whole field of welfare—both community welfare and welfare in the factories—collaboration has been extended and has been found useful in that it calls into play the technical knowledge and understanding as well as the deep concern of those most directly affected. Tripartite collaboration has helped to safeguard the interests of workers in the factories, those mobilised for the army, and of seamen, both in the merchant marine and in the navy. In some countries schemes of family allowances for mobilised men, adaptations of insurance schemes and pension rights to fit the needs of war, and provisions for the holding open of jobs and seniority privileges, have been framed by tripartite agencies. The representatives of management and of labour have thus been able to ensure that their rights, their claims and their point of view were given weight in plans that might be adopted or administered by government authorities. Similarly seamen's welfare boards, and particularly local welfare boards in individual ports, have brought together the local

¹ Richard PADLEY and M. I. P. COLE (eds.) *Evacuation Survey*, a report to the Fabian Society, Routledge, 1940, p. 4.

authorities with the shipowners and the seamen's representatives and made possible practical planning for the needs of seamen in port

Problems of safety, the elimination of hazards, and the prevention of accidents from fatigue, overstrain and tension, as well as the promotion of industrial hygiene, have been given careful examination in some instances not only by technical experts, inspectors, and other governmental officials, but also by joint bodies which could draw on the practical knowledge of the workers and of management in securing conditions adapted to war circumstances

Employer and worker representation, both in the central agencies planning housing facilities for workers and in the local bodies charged with meeting the particular needs of new undertakings, areas crowded by influx of new industry, transferred workers, and workers separated from their families or bombed out of their homes, has been useful in making the schemes workable. Similarly, the development of recreation programmes has been more satisfactory where the desires of the workers and their families have been directly expressed through local and national representation on the planning agencies, and where representatives of management have served with Government officials in making available plant and public facilities

VI

The direct participation of employers' and workers' representatives has also proved valuable in a number of fields only indirectly concerned with labour and social problems as such—namely, in dealing with such questions as war propaganda and the distribution of information. The need to have all groups in the community understand the aims of certain measures—particularly rationing measures, blackout precautions, fire prevention, conditions of work during air raids, etc.—has been recognised by those most directly affected by the war. Representative consultative agencies of national and local organisations have been responsible both for working out solutions to local problems and for assuring compliance by promoting understanding of the issues involved. In countries farther away from the battle front, the problem of adequately arousing public opinion to acceptance of restrictive governmental measures has sometimes been peculiarly difficult. Here the use of the organisations of employers and workers to interpret these measures and to carry back into the local community understanding of the problems at issue and to furnish explanations of policy can help in furthering co-operative effort and national unity

* * *

Anything like a complete account of the methods of wartime developments in collaboration would be impossible because of the rapidity with which changes are taking place in the organisation for war and national defence, particularly in those countries which are the latest comers into the field of all-out war production. These continuous and rapid changes are the outward and visible signs of the phases of a great experiment in the course of which many processes are being tried, rejected if they fail to fulfil their purposes, continued if they prove successful, adapted, and co-ordinated as the changing needs of the war demand.

While the basic methods and problems are the same in all democratic countries, the details vary not only with the intensity of the war or defence effort but also with the constitutional structure, the political system, and the traditions of each country. Procedures which are successful in one country are not necessarily suitable for all, they may indeed be either unnecessary, harmful, or suitable only in the last resort. An essential need of collaboration at any time, and particularly in wartime, is for flexibility in the methods used, although experience has shown the advantages of integrating any *ad hoc* or improvised machinery into the regular governmental structure, in order to secure smooth operation of the mechanism and continuing results.

I

The methods adopted fall into several major groups. There has been a widespread development of tripartite agencies as a part of the central administrative machinery. These agencies are in some cases advisory and in others executive, depending largely on the purpose served and on the constitutional situation of various nations, in either case there may be some advantages, in particular that of permanence, in having the machinery based on statutory provisions rather than left entirely to administrative determination.

Where the advisory or administrative agencies have been attached to individual Ministries or Departments of Government, their operation has been more easily geared into the regular peace-time machinery. However, the setting up of *ad hoc* agencies as part of the central governmental machinery—for instance, the Office of Production Management in the United States, which is separate from any of the regular departments—sometimes has the advantage of permitting the agencies to co-ordinate the work of a number of departments. In some cases, as in Great Britain, the advisory agencies of individual Ministries have been proved to be insufficient to provide

the centralisation required by wartime needs; and there may be set up advisory agencies to Cabinet Committees, such as, for instance, the Central Joint Advisory Committee of the Production Executive

Irrespective of whether the central agencies for collaboration are attached to co-ordinating committees or to departments, experience has shown the essential value of regional and local development. Where there have been no active and alert regional and local committees, it has been far more difficult to put into operation policies agreed upon by national agencies. The use of local committees for collaboration and the continuation of the customary local practices of informal joint consultation has been an element in furthering the war effort in Great Britain

Collaboration has also been developed to deal with the special requirements of individual industries, as in the coal, cotton, ship-building, engineering, transport, and waterside industries. Finally, tripartite collaboration has often been used to administer a particular subject affecting several industries, such as apprenticeship and other forms of training, dilution of skilled labour, and the determination of certain aspects of working conditions

II

Wartime experience in a number of instances indicates that the advisory or administrative character of the various agencies may be less important than the working relationship of the agencies with the governmental authorities and with the organisations and groups represented. In the case of advisory committees, their significance has depended largely on the extent to which they have been used and to which the committee debates have been realistic. Thus, while the Joint Consultative Committee in Great Britain and the Industrial Emergency Council in New Zealand are advisory in character, they have been concerned both with policy-making and administrative decisions covering many of the most pressing and deep-rooted labour problems of the war effort. When a tripartite agency has been given executive power it has been essential to make provision for swift and efficient administration. The danger that determination of administrative questions by a board will prevent the rapidity of decision and swiftness of action required in emergency conditions has had to be met by providing for participation of representative members but emphasising the necessity for quick application of policy once decisions have been made

III

The methods of selection of members on both advisory and administrative bodies have therefore very largely affected the utility of the agencies. The criteria for the qualifications of members have differed not only from country to country but in accordance with the functions of the agencies. Where a committee has been designed primarily to make available to the Government the varied and possibly conflicting views of diverse groups of employers, workers, farmers, consumers, etc., members have sometimes been named as individuals, and sometimes have been nominated by either the most representative organisations or by a selected group of organisations. In countries, such as Great Britain, where both the central trade union and the employers' organisations have long been the recognised consultative bodies their nomination of representatives to central agencies is taken wholly for granted, while the extensive use of these agencies during the war has buttressed the structure of collaboration. As was stated, in the report of the General Council to the Trades Union Congress, concerning the trade union movement "Its prestige and the general acceptance of its representative capacity have never increased in its history at a greater pace than during the past two years". Similarly in countries such as New Zealand, where there is comparatively little question as to the relative competence of various occupational organisations to act in representative capacity, the members of the numerous and significant advisory councils have been automatically selected in consultation with the organisations directly concerned, although the statutory provisions establishing these agencies frequently leave the entire power of determination of membership to the competent Minister. On the other hand, in South Africa, the regulations providing for the Labour Control Board state that the members shall be appointed after consultation of the employers' and workers' organisations concerned. In countries where difficulties have arisen out of divided or numerically weak occupational organisations—either employer or worker—special interests, and conflicting jurisdictions, have made infinitely difficult the problems involved in selecting the members for the advisory bodies. Although sincere efforts have been made to cope with the issues and ensure that wherever possible growth of organisational representation and responsibility should be encouraged and utilised, in some instances the procedures adopted have been severely criticised as undemocratic and unrepresentative. However, trade unionists selected to represent labour views have

consistently retained their trade union affiliations and have undertaken governmental responsibilities only with the explicit consent of their unions. Moreover, they have reflected the attitude and policy of organised labour in making decisions or executing policy. Therefore, the advantages and disadvantages of the different methods of selection have depended largely on the ways in which the tripartite agencies have actually functioned and on the weight given to the recommendations and desires of the workers' and employers' organisations, both locally and nationally,

In the establishment of agencies such as the National Defense Mediation Board in the United States or the National Arbitration Tribunal in Great Britain, where the functions are those of conciliation and the settlement of controversial issues between employers and workers, the fully representative character of their membership has been an essential element in their satisfactory operation. In the related fields of wage regulation and price fixing, the part played by trade unionists and employers, whether as individuals selected in an advisory capacity or as organisational representatives, cannot be evaluated. It has been argued that the role of "representative" has in some instances tended to hinder the constructive contribution that may be made either by the trade unionist or by the employers' member in the discussions and decisions of tripartite agencies because the representative may be bound by instructions, may not wish to go beyond previously agreed policy, or may be more eager to serve his group than to aid the committee discussion. This is one reason why the selection of members as individuals has been adopted in some countries and advocated in others.

It has also been argued that in some cases the non-governmental members of the consultative or administrative agencies have sometimes tended to take the more conservative line and in consequence to prevent the adoption of new procedures for hastening production or to meet urgent issues. Nevertheless, these occasional disadvantages have been generally proved to be more than outweighed by the increased support and more wholehearted compliance by all groups in the application of decisions reached after consultation and representative discussion. While committee debates may have been prolonged, and policy decisions been arrived at with greater difficulty in some of the wartime tripartite agencies, the justification of the democratic procedures and methods has been demonstrated in the nationwide growth of morale and the willing acceptance of

privations and hardships in furtherance of the common rights and privileges of freedom¹

* * *

The methods of democratic collaboration in the war effort have marked perhaps more than any other single factor the contrast between the free nations and those brought under the control of the totalitarian forces. That it has been possible to continue freedom of speech and freedom of criticism on many of the most vital war issues, and through debate to arrive at practicable solutions, is a striking indication of the strength of democratic ways and means. Although it has undoubtedly been easier to achieve this unity of purpose in the period of international crisis than it was during the pre-war period of industrial uncertainty and political tension, yet the experience of a number of countries—Australia, Great Britain and New Zealand—has shown that the normal pre-war practices of consultation, of industrial self-government, and of day-by-day use of democratic processes, had prepared the way for the wartime development of collaboration on a national scale.

Some of the wartime machinery was deliberately set up on a temporary basis because it was designed to deal with issues that are largely or wholly of an emergency character, but its functioning has brought out the more permanent value of many of the practices and procedures. The extension of collaboration in dealing with many problems of individual industries and occupations such as mining, ship-building, textiles, transport, and in handling many of the issues arising out of industrial relations, employment organisation, and even wider fields of social and economic adjustment, has given significant results which may well prove to be of service to post-war industrial organisation.

There is little likelihood that the post-war period will be one of normal peace-time development. It will probably be a continuation of some of the economic and social changes that are accompanying the war. It is therefore necessary to examine the degree to which the experience of the wartime procedures for collaboration is being drawn upon in the committees and administrative plans being worked out to meet the post-war needs. The practical knowledge and realistic approach of employers and workers are being sought

¹The Report of the General Council to the Sept 1941 Session of the Trades Union Congress summarises the participation of the trade union movement in Great Britain in the war effort, stating "In all these matters the General Council have kept in view the absolute necessity for assisting the prosecution of the war in every possible way, while at the same time preserving the maximum amount of self-government for industry and thus retaining as much industrial democracy as possible under what have often proved to be extremely difficult circumstances."

in local and area investigations, and representatives of employers' and workers' organisations are beginning to be associated directly with the central bodies making reconstruction plans

The reconstruction problems which each country will have to face clearly differ with the extent of physical destruction brought by the war and the consequent extent of the need for a national effort directed first of all towards physical rebuilding. In Great Britain, plans for reconstruction are necessarily closely associated with plans for rebuilding, while in the Dominions and the United States, post-war plans at present have been mainly concerned with problems of repatriation and demobilisation, and the provision of jobs through private industry or public works for the returned soldiers and the industrial and agricultural workers now occupied on war production.

Wartime experience indicates that it is essential to examine what parts of the wartime machinery should be made permanent and adapted to the problems of rebuilding the democratic world. Economic and social security is being stressed in every nation as a necessary aim of national and international policy. Under democratic systems of Government and through the use of democratic methods and procedures, it is proving possible to secure constantly increasing output and full use of national, material, and human capacity in the war effort. The aim should be to make full use of national resources in time of peace as in time of war, and to provide the commodities and services necessary for raising general standards of livelihood. In order to make this aim a reality, the full co-operation of employers and workers must be enlisted at every stage from the initiation of a policy to its application and enforcement. The tripartite methods of collaboration that have been built up during the war, and which are being tried under the greatest strains, will be at hand and ready for continued use when the war ends. The wartime machinery, therefore, cannot be scrapped unthinkingly. Its adaptation to reconstruction and to peace-time operation will be the challenge before the employers, the workers and the governments who will determine the future of world organisation.
